

Cover Image: Fabian Cancellera, winner of the Prologue of the 2007 Tour de France, awaits the start of Stage 1 of the Tour de France from London to Canterbury.

Transport for London

Operational and Financial Performance Report

First Quarter, 2007/08

Performance

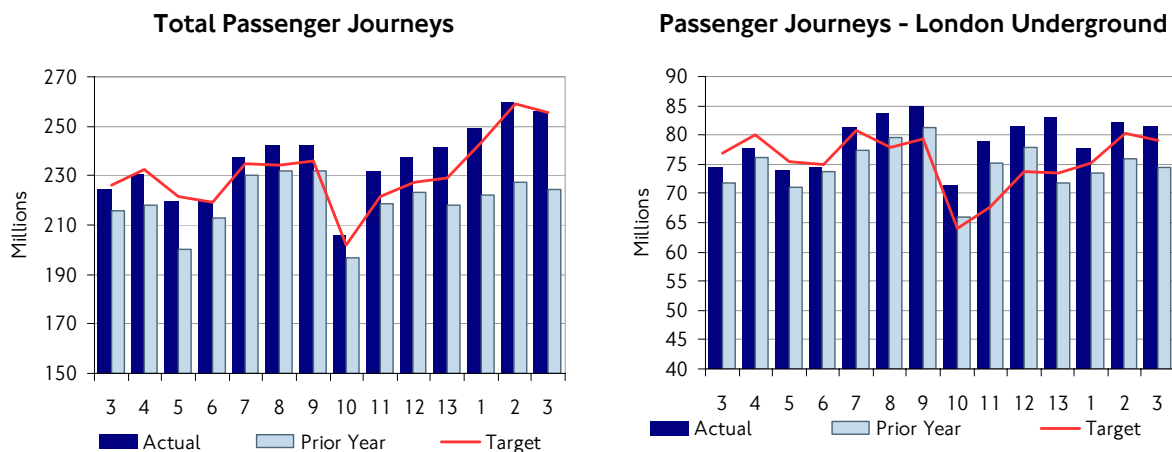
- 1.0 Quarter one in 2007/08 continued to build upon the substantial passenger growth of 2006/07, across the Transport for London (TfL) network, with 764 million passenger journeys during the quarter. Passenger journeys on the Underground continues to significantly exceed anticipated levels, at 242 million passenger journeys for the quarter, whilst both the percentage of scheduled services and number of train kilometres operated exceeded target and the previous year performance. Service demand on the bus network reached 501 million bus passenger journeys during the quarter, a like-for-like increase of 6 per cent on 2006/07. On the Docklands Light Railway there were 14.8 million passenger journeys during the first quarter, 8 per cent higher than the first quarter last year.
- Other highlights and performance issues in the first quarter of 2007/08 included:
- 1.1 **Tour De France:** On 7 July, for the first time in the event history, London hosted “Le Grand Départ” to launch the Tour de France cycle race. The largest annual sporting event in the world attracted over two million spectators to the race prologue on the 7.9km route in central London. A further two million people lined the route from London through Kent for the first stage of the race on 8 July. Further to the success of the Tour de France event, London will host the start of the Tour of Britain on 9 September. The race will start in Crystal Palace Park with a 2.5km prologue, sponsored by TfL. Cycling on major roads in London increased by a further six per cent between March 2006 and March 2007, continuing the strong annual growth since 2000. There are now an estimated 480,000 cycle journeys every day across London, an increase of 30,000 on 2006/07.
- 1.2 **Overground Rail Operator Announcement:** On 19 June, the Mayor announced the successful bid to operate the 7-year London Overground concession, awarded to MTR/Laing (now London Overground Rail Operating Limited). From 11 November TfL services will operate on the North London Railway, currently operated by Silverlink Train Services Limited.
- 1.3 **Marathon Weekend:** On 22 April, TfL provided free travel for all London Marathon runners and officials on the Tube and DLR. The event preparation was successful and bus diversions and road closures were in place for the lowest possible time, to minimise inconvenience to users. An incident occurred at Mudchute DLR station, during the event, which resulted in a service suspension of six hours. The doors of a train were damaged after making contact with the platform ramp. The service was suspended between Crossharbour and Greenwich, while safety checks were carried out.
- 1.4 **Bus Fare Announcement:** On 18 June, the Mayor announced a 10 per cent reduction in bus fares from 30 September. The cost of a single Oyster Pay as You Go bus fare will fall to 90p and a weekly bus pass will cost £13, reduced from £14. There will be corresponding price reductions for monthly and annual tickets. It is estimated that approximately 1.6 million passengers will benefit from the lower fares, 1.3 million from the reduction in Pay as You Go fares and 300,000 from the reduction in the weekly bus passes. The one day bus pass rate and the bus cash fare will remain unchanged. The cost of these proposals is estimated to be £36m over a full financial year.
- 1.5 **London Transport Awards:** A number of TfL achievements were recognised in the London Transport Awards, which acknowledge the successful transport initiatives of London

Boroughs and other organisations. TfL award winners included: King's Cross St. Pancras (determined by public web vote and analysis of commendations received) for Underground Station Customer Service Team of the Year; London Underground with Tube Lines (The Jubilee Line 7th Car Project) for Transport Partnership Project of the Year; The TfL Journey Planner for the Travel Information and Marketing Award and DLR with Serco for the Transport Team Partnership of the Year.

- 1.6 **TfL Sustainable Transport Awards:** The fourth TfL 'Sustainable Transport Awards' ceremony was held on 28 June. The awards recognise initiatives to promote clean and healthy Travel in London. Over 100 entries were received for the awards across 14 categories, including Sustainable Transport Borough of the Year - The Royal Borough of Kingston upon Thames and School of the Year - New City Primary School in Newham, commended for its success in delivering the 'Personalised Travel Planning project'.
- 1.7 **DLR 3-Car Capacity Announcement:** The main contract for the DLR 3 car capacity enhancement project was signed on 3 May 2007 and powers under the Transport and Works Act were confirmed on 19 July. The approval under the Transport and Works Act was DLR's fifth consecutive TWA approval and the fastest ever granted in England. Passenger numbers on the DLR continue to increase, up 8 per cent this quarter on the record numbers of 2006/07, and the capacity increase will significantly contribute to both the regeneration of East London and the infrastructure development of the 2012 Olympic Games.

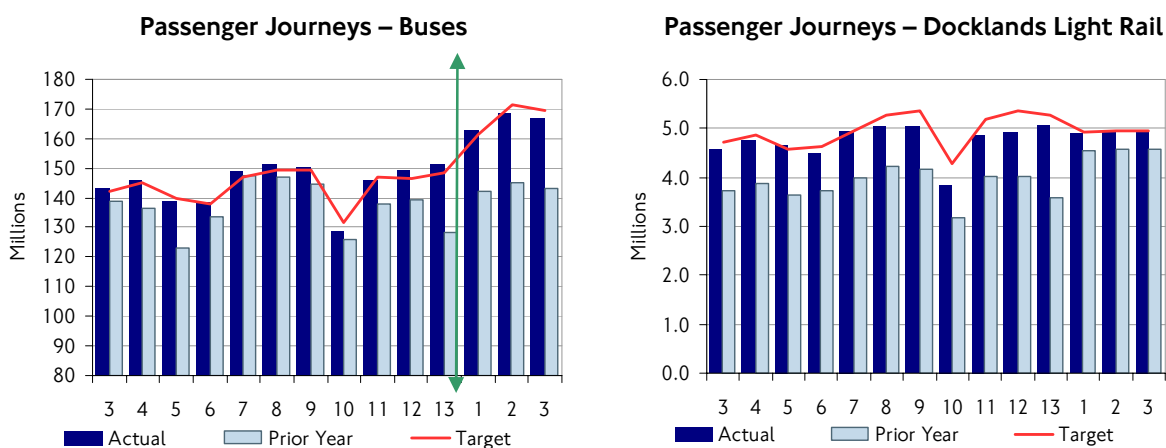
Service demand

- 2.0 Following on from the record levels of patronage in 2006/07, the total number of passenger journeys across the TfL network continue to trend upwards in quarter one 2007/08. There were 764 million passenger journeys – 6.2 million (0.8 per cent) higher than target and an increase of 98.4 million (13 per cent) on the same quarter last year. Excluding the change in bus passenger methodology the underlying increase was 48.5 million more journeys than quarter 1 2006/07, an increase of 5.1 per cent.



Note: 2006/07 bus passenger journey numbers are represented as previously reported and a new methodology has been applied from period 1 2007/08.

- 2.1 Service demand on the Underground continues at a record level. There were 242 million passenger journeys on the Underground during quarter one, a considerable increase of 18 million compared to the first quarter of last year and 7 million higher than the year to date target. London Underground is forecast to exceed the full year target of 1,048 million passenger journeys by 3.8 per cent.



Note: 2006/07 bus passenger journey numbers are represented as previously reported and a new methodology has been applied from period 1 2007/08.

- 2.2 There were 501 million bus passenger journeys during the quarter, an increase of 16.4 per cent on 2006/07. Whilst the growth was in line with budget, it primarily resulted from an improved method of counting bus passenger journeys, which now uses Oyster validations and includes additional categories (under 5s, staff and police). The 2007/08 full year target has been revised to 2,160 million passenger journeys, an increase of 13 per cent. The year-on-

year comparison, on a like-for-like basis shows an underlying increase of 5.1 per cent on quarter one of last year.

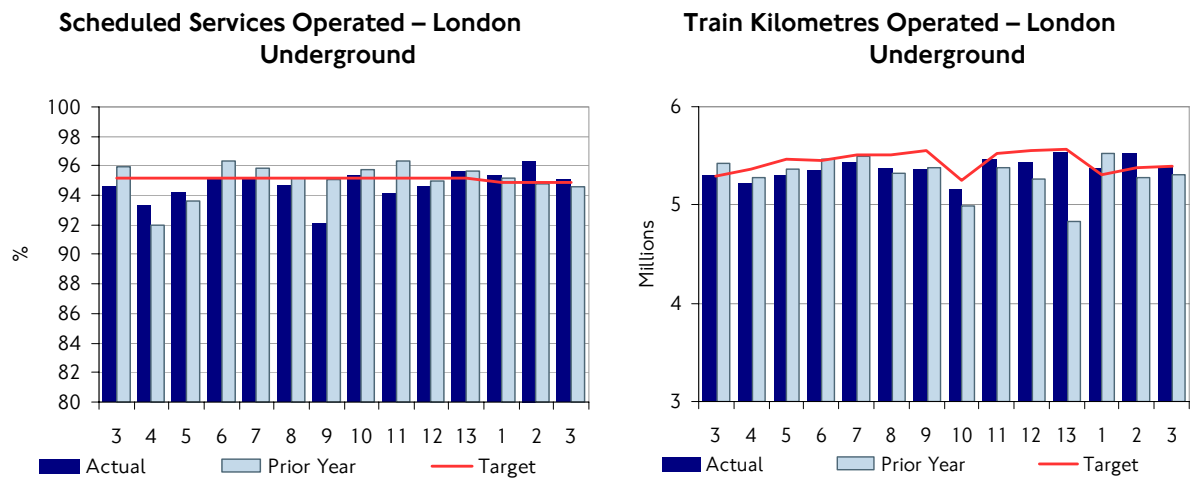
- 2.3 There were 14.8 million journeys on the DLR during the first quarter, 8 per cent higher than the same quarter last year and broadly in line with target. In addition, on 23 May, DLR recorded its highest ever number of passenger journeys on one day. At 280,000, this was nearly 12,000 higher than the previous recorded high. This was due to the London International Wine and Spirits event at Excel and a fire at London Bridge which increased passenger journeys at Bank.

Fare Trends

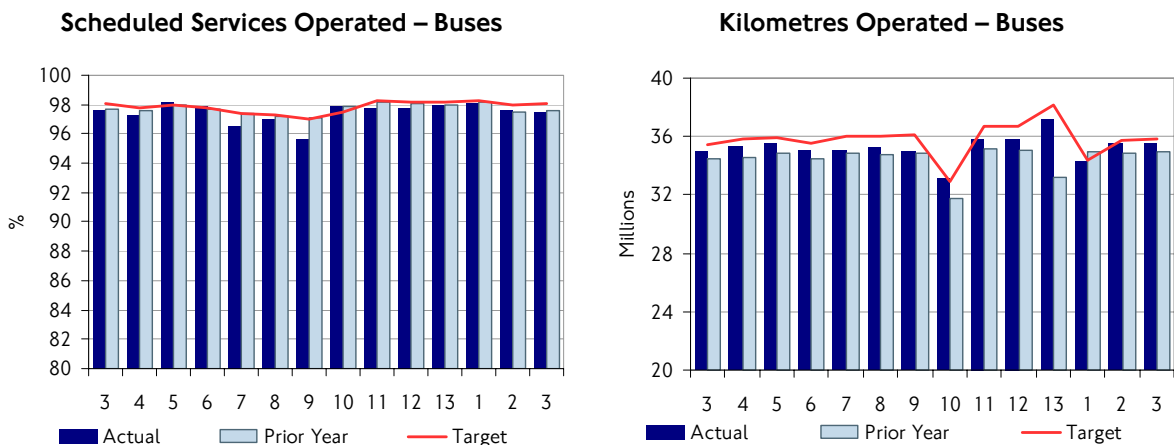
- 2.4 At the end of the first quarter, 3.8 per cent of Underground passenger journeys were cash fares, down from 5.6 per cent at quarter one last year. Oyster single fares comprised 25.8 per cent of all Underground journeys compared with 17.9 per cent a year ago. Underground journeys on single and return tickets decreased by 35 per cent year-on-year and sales of day travelcards were decreased by 3.9 per cent year-on-year. Average daily Oyster pay as you go journeys had increased to 0.75 million per day by the end of quarter one.
- 2.5 On the bus network, the use of cash single fares accounted for 2.1 per cent of all journeys (2.2 per cent including roadside ticket machines) compared to 5.0 per cent at quarter one 2006/07. Oyster pay as you go journeys comprised 14.4 per cent of all bus journeys compared to 9.3 per cent a year ago.

Service provision

- 3.0 There was a good level of service provision across the TfL network in quarter one 2007/08, with targets achieved or exceeded on the Underground and DLR and only narrowly missed by London Buses.

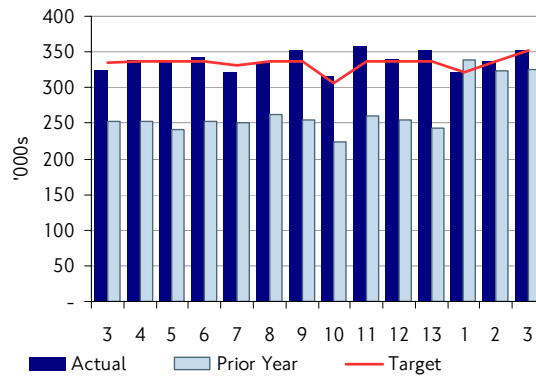


- 3.1 During the first quarter, the percentage of scheduled services operated on the Underground remained high, exceeding both target and the performance of the prior year. During period 2 the overall percentage of schedule was the highest for almost 2 years, at 96.3 per cent. Although the percentage of schedule fell during period 3, to 95.1 per cent, the budget was achieved, along with a 0.5 per cent improvement on the same period last year. During quarter one, kilometres operated on the Underground, at 16.3 million, achieved target and marginally exceeded the previous year.



- 3.2 An average 97.7 per cent of scheduled services were operated on London Buses in the first quarter of 2007/08, slightly below target and the same period last year. Bus kilometres operated achieved target this quarter. Losses due to staffing and mechanical faults remained low but were offset by higher than expected losses due to traffic delays. Particular disruption to bus services this quarter was caused by a serious fire at Deptford on 26 April; additional loadings for buses in south-east London following the suspension of National Rail services into London Bridge on 23 May; the London Marathon on 22 April; widespread delays in south-east London following closure of the Blackwall Tunnel northbound for nearly 24 hours on 9 to 10 May; the closure of the Harrow Road/Kilburn Lane junction from 12 May for emergency gas main repairs and roadworks in Shaftesbury Avenue, Lewisham and Greenwich.

Train Kilometres Operated – Docklands Light Rail

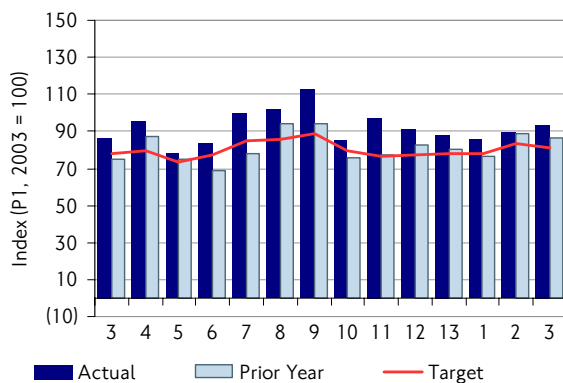


- 3.3 DLR service provision was excellent during the first quarter with over 99 per cent of DLR departures achieved during the last two periods. Train kilometres operated achieved target in spite of engineering possessions on the North and South route and the slight delay associated with the opening of new platforms at Stratford regional station to accommodate the enhanced Stratford DLR service.
- 3.4 The total number of Dial-a-Ride trips remains below the quarter 1 target, as anticipated trip efficiencies following the opening of the Management Control Centre have not been realised. A recruitment campaign continues to address the driver shortage and there has also been a slight fall in passenger demand. This has had a consequential impact upon the cost per trip which is also higher than target.

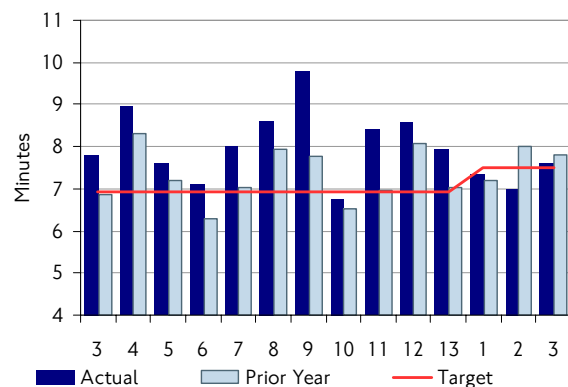
Service reliability

- 4.0 The delay index, a measure of the total delay minutes experienced across the Transport for London network, was higher than target in the first quarter of 2007/08 mainly due to the continuing growth in passenger numbers across the network.
- 4.1 Development work is underway on a new measure of delay that will measure individual passenger, rather than total, delay. This is expected to be complete by the end of 2007/08.

Overall Delay - Underground, Buses and Congestion

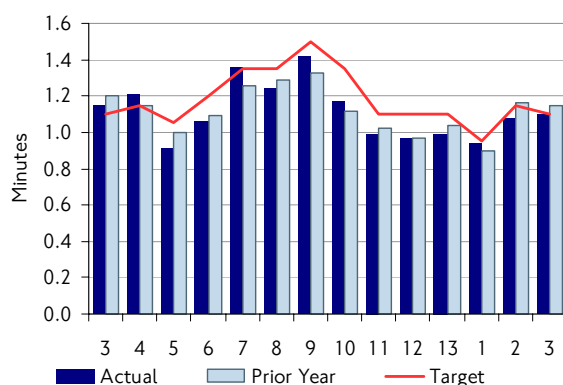


Excess Journey Time – London Underground

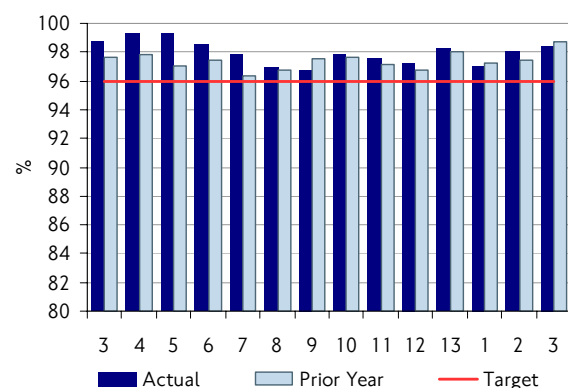


- 4.2 During the first quarter excess journey time on the Underground averaged 7.3 minutes compared to the target of 7.5 minutes. Performance in periods 2 and 3 bettered that of the prior year. This was especially notable in period 2 when excess journey time improved by 1 minute and, for the first time since period 6 of 2005/06 (with the exclusion of Christmas periods), was lower than 7 minutes. The improvement was due to a reduction in asset incidents, which offset increasing customer demand, resulting in reduced platform waiting times and congestion.

Excess Wait Time - High Frequency Routes – Buses



On Time Performance – Docklands Light Rail

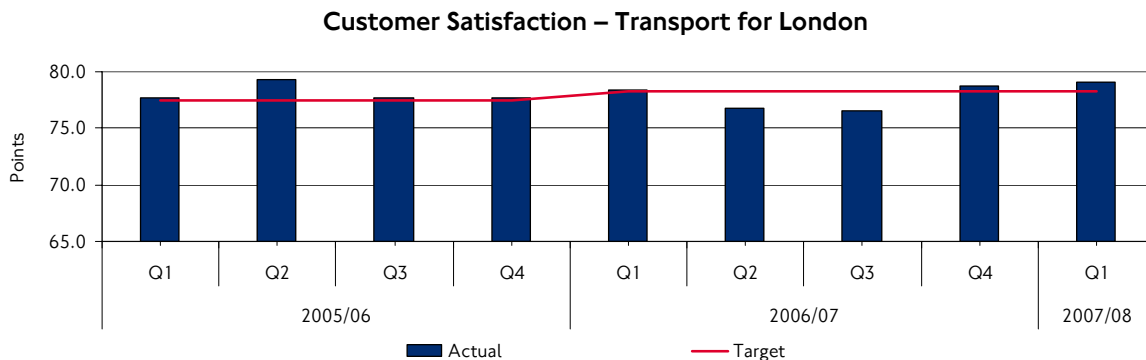


- 4.3 On the bus network, excess wait time remained in line with target and unchanged on the same quarter last year. Excess wait time has been reducing across the bus network for over four years.
- 4.4 On the DLR on time performance was again better than target, averaging 97.8 per cent, 1.8 per cent higher than the target of 96 per cent for the first quarter.

Customer

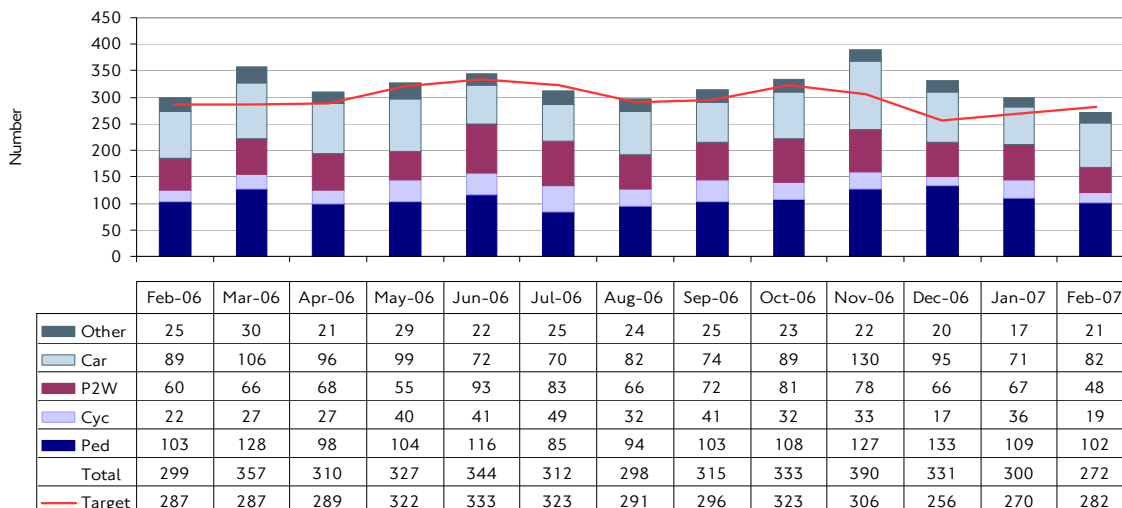
Customer Satisfaction

- 5.0 Customer satisfaction levels on the TfL network improved by 0.4 points in the first quarter to 79.1 points, 0.8 points ahead of target, as a result of increased levels of customer satisfaction on the Underground and DLR.



- 5.1 Customer satisfaction levels on the Underground improved this quarter to 78 points, 1 point higher than quarter 4 2006/07 and in line with target. The overall score for station staff helpfulness and availability increased by 2 points compared to the previous quarter achieving a score of 77. Train and station service overall scores both increased by one point compared to last quarter, also reflecting the good service provision and journey time results.
- 5.2 Overall customer satisfaction on the bus network (day bus services) during quarter one remained the same as the previous quarter at 79 points. Both bus reliability and information scores increased by one point compared to last quarter and achieved target, rising to 80 and 75 respectively. This improvement does not appear to have been hindered by the increasing number of bus passengers, or the traffic delays during periods 2 and 3, which resulted in a slight deterioration in the overall proportion of scheduled kilometres operated. The previous slight deterioration of CSS scores has led to a reassessment of the information, cleanliness and service elements in the review of bus operator incentivisation.
- 5.3 Customer satisfaction survey results on the DLR, at 97.4 points, have continued the upward trend, increasing by 0.8 points on last quarter and remaining significantly ahead of the 90 point target. This is the highest overall service performance score since 1997 and, year on year, it has increased by 7.4%.

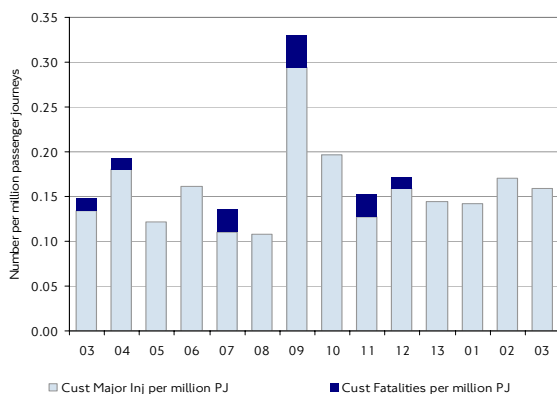
Number of Killed or Seriously Injured (KSI) on London Roads



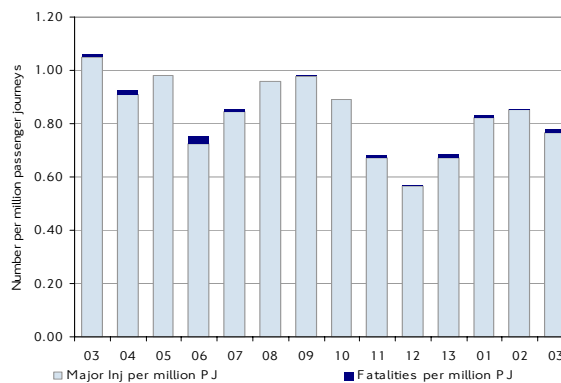
Note: Due to reporting processes and the nature of road traffic accident data, results are reported 4 to 5 months in arrears. The most recent data available is for February 2007. Results are also subject to retrospective adjustments.

6.0 The number of killed or seriously injured on London's roads over the first 2 months of the calendar year (equivalent to a first quarter result) at 572 was an improvement of 7 per cent compared to the corresponding months in 2006. In February 2007, powered-two-wheeler incidents fell by 20 per cent compared to February 2006, whilst cyclist, and car incidents decreased by 14 and 8 per cent respectively. The longer-term trend remains favourable and it is anticipated that the 50 per cent casualty reduction target will be achieved by 2010.

Major Injuries and Fatalities – London Underground



Major Injuries and Fatalities – London Buses



6.1 The number of customer major injuries and fatalities on the London Underground network in the first quarter of 2007/08, at 38, was 12 higher than the same time last year, however representing an average of just 0.16 injuries per million passenger journeys.

6.2 On the bus network there were 412 major injuries and fatalities in the first quarter of 2007/08, a 15% decrease on the corresponding period last year, representing an average of just 0.81 injuries per million passenger journeys. A gradual rise in reporting of safety incidents is anticipated in 2007/08 as a result of pro-active monitoring of data and support to bus operators' data entry staff by the London Buses Safety Team.

Sustainability

- 7.0 Highlights of TfL initiatives with sustainability benefits in the first quarter were:
- 7.1 The Climate Change Fund Approvals Group and PRG supported the Group Property and Facilities sustainable energy proposal for Palestra. This will involve the installation of a combined heat and power fuel cell and measures to achieve the “excellent” building environmental performance standard defined by BREEAM (Building Research Establishment Environmental Assessment Method).
- 7.2 The first Underground Biodiversity Action Plan (BAP) was agreed in April, and published in May. The plan aims to conserve, and where possible to enhance, the biodiversity value of Underground property and to increase awareness amongst staff and the travelling public.
- 7.3 In June 2007, London Underground completed an environmental benchmarking study to compare environmental monitoring, reporting and performance against other metro systems across the world. The report concluded that the Underground monitoring and reporting system is comprehensive and reflects best practice. Areas identified for improvement include recycling of station and depot waste and improving the energy efficiency of technology and systems at stations, depots and for traction energy.
- 7.4 A Hybrid Bus Evaluation Committee has been established by London Buses and consists of representatives from those bus operators trialling hybrid vehicles. The Committee will openly evaluate the monthly performance of all buses on trial and identify areas where further improvements/developments could be made to the technology. This committee will also be responsible for developing a long term operational cost target for hybrid buses in London.
- 7.5 ‘Hydrogen Cars and Vans’ is a two-phase implementation of 60 low-carbon hydrogen fleet support vehicles. The tender submissions for refuelling Infrastructure were received in June. Following on from negotiations with the supplier, the contract will be finalised in November 2007.
- 7.6 Quarter one saw the launch of a TfL Environmental Champions initiative, to encourage staff to join a network of key staff volunteers to drive local environmental improvements in TfL. In addition, Group HSE co-ordinated the Energy Pledge campaign, initiated on World Environment Day and designed to engage individuals with energy saving.
- 7.7 The “Why not walk it?” campaign was launched in April. TfL also supported the Revolve London to Brighton eco-rally and the “Cars not Carbon” awards during June.
- 7.8 Quarter one saw trials of wheelchair step climber equipment at Morden Underground Station and of audio visual tube train information systems. The Independent Disability Advisory Group (IDAG), established in October 2006 to advise and guide TfL on transport solutions for disabled people, participated in the trials.
- 7.9 The implementation of supplier diversity has continued with appropriate Supplier Diversity requirements included in the London Overground Operating Concession and the East London Line main work. The London Overground Ticket Vending Machines and Palestra Main Works contracts contain clauses regarding environmental sustainability as well as supplier diversity. A draft pan-TfL Ethical Sourcing Policy has been produced and circulated internally for comment.

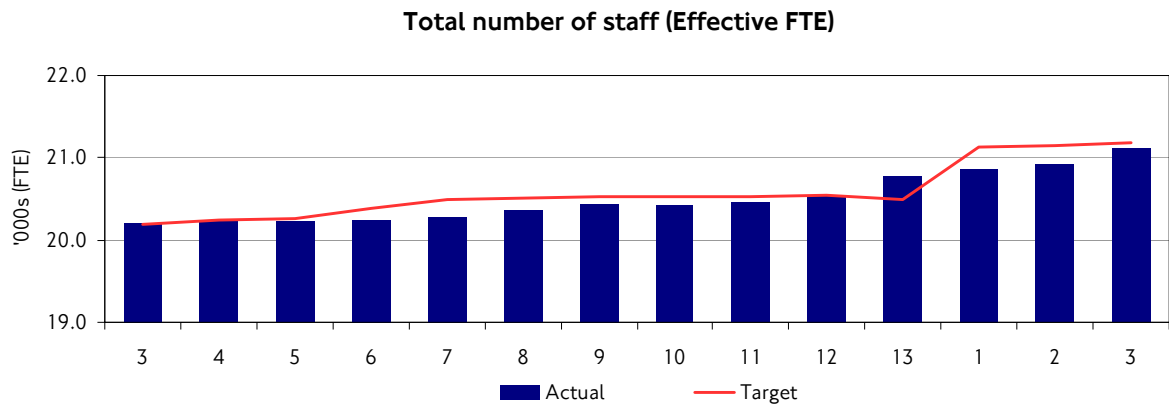
Section 17 of the Crime and Disorder Act

- 8.0 TfL is awaiting secondary legislation to designate it as an organisation subject to Section 17 of the Crime and Disorder Act 1998. This legislation is anticipated to come into force by the end of 2007. In the interim, TfL has embedded Section 17 in the formal business-decision making process. It is now necessary to include a section highlighting crime and disorder implications and prevention in papers considered by TfL Board and its associated panels and committees. It is therefore intended to ensure that all reasonable steps are taken to consider, mitigate, and wherever possible, remove the risk of crime and disorder occurring on or around the transport network.
- 8.1 A programme of London Underground station environmental audits by TfL staff and BTP Crime Prevention Officers continues to identify safety and security improvements.
- 8.2 TfL is taking all necessary action to consider the potential crime and disorder impacts during the planning phase of the 2012 London Olympics. Currently a staff member works alongside the Olympic Security Directorate providing a single point of contact.
- 8.3 Following approval by the TfL Board, the TfL Community Safety Plan 2007/8, which is an integral aspect of Section 17 implementation across the organisation, is in the process of being published and will be circulated to all key partner agencies.

People

Staff Numbers

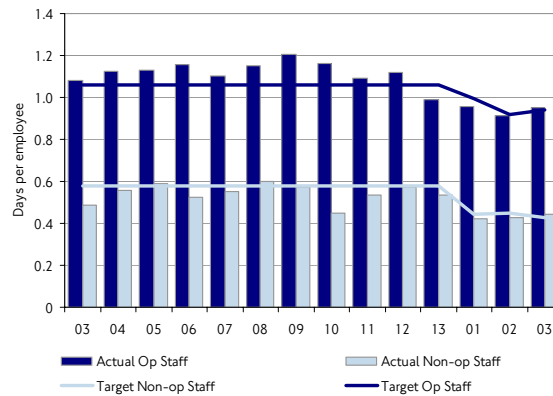
9.0 The total number of effective full time equivalent (FTE) staff across TfL increased by 336 in the first quarter to 21,114 FTE, 64 lower than target.



9.1 At the end of the first quarter there were 14,243 FTE staff in London Underground, 65 higher than budget and an increase of 243 since the beginning of the year. Temporary staff numbers decreased by 10, but remain 12 over budget. Surface Transport staff increased by 48 to 4,626 FTE, 127 lower than budget. The number of temporary staff in Surface Transport fell by 11 to 583 FTE, slightly under budget. London Rail staff numbers remain unchanged at 188 FTE, 15 below budget. There were 2,057 FTE staff within the Group Directorates, an increase of 45 by the end of the quarter and 13 over budget.

Sickness

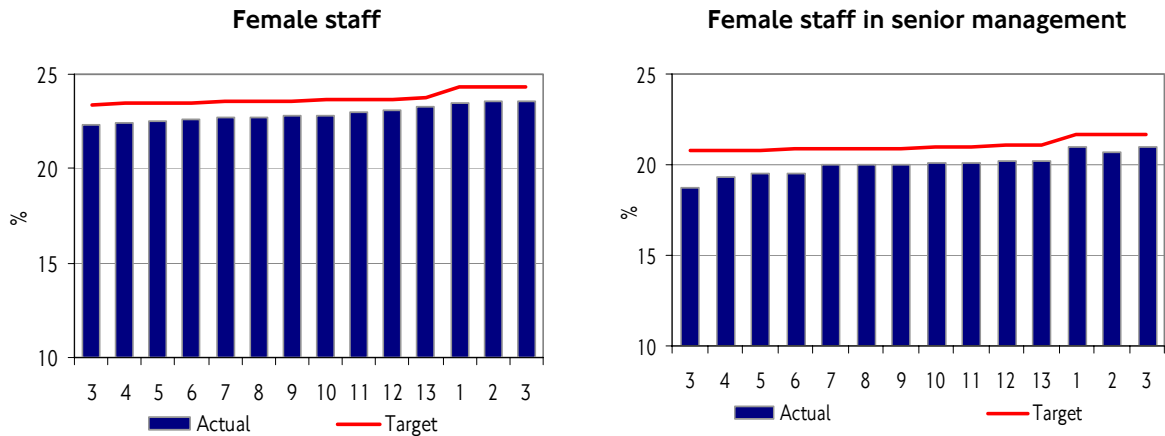
Sickness Absence – Days per Employee



9.2 The year to date sickness absence rate per TfL employee during the first quarter was 2.2 days, 0.2 days per employee inside the target of 2.4 days for the quarter. The sickness rate remains higher amongst operational staff. A similar positive result was achieved across each of the modes, with operational and non-operational year-to-date sickness absence rates better than target.

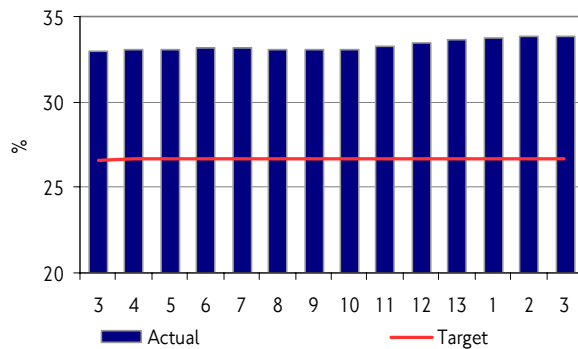
Workforce Composition

- 9.3 2007/08 targets are those published in the March 2007 budget, reflecting a stretch increase for the actual position at that time. These are broken down internally by mode/department to form the basis of action planning. The exception is Black, Asian and Minority Ethnic Group (BAME) where overall representation across TfL is already above the average for the economically active population in London.

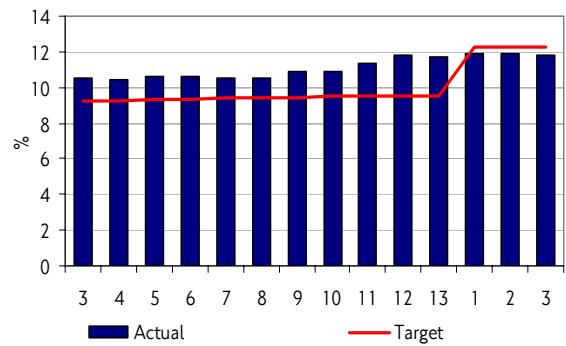


- 9.4 The percentage of female staff has increased by 0.3 per cent this quarter to 23.6 per cent against the year end target of 24.3 per cent. The percentage of women staff in senior management also increased by 0.8 per cent to 21.0 per cent against a year end target of 21.7 per cent.
- 9.5 In quarter one, female representation on the Underground increased by 0.4 percent (from 19.3 per cent to 19.7 per cent), making progress on the year end target of 19.8 per cent. The London Underground Customer Service Assistant recruitment drive is aiming to improve the representation of women at the operational job entry point, whilst work to promote female representation at the Station Supervisor and Duty Station Manager level is making significant progress.
- 9.6 Surface Transport is targeted with achieving female representation of 28.2 per cent by the year end and the first quarter results demonstrate good progress at 27.6 per cent. Surface Transport has established a working group to review modal retention issues. East Thames Buses is exploring a flexible scheduling structure; the Fair Cities Brent initiative has resulted in seven women gaining employment as bus drivers, with a further ten women due to commence training in August 2007; and 60 women attended the 'Women behind the Wheel' workshop in July 2007, many expressing an interest in careers in engineering or as a bus, underground, taxi, or Dial-a-Ride driver.

Black, Asian and Minority Ethnic Group Staff

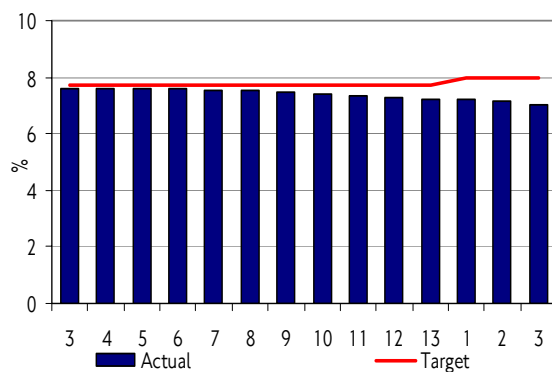


Black, Asian and Minority Ethnic Group Staff in Senior Management

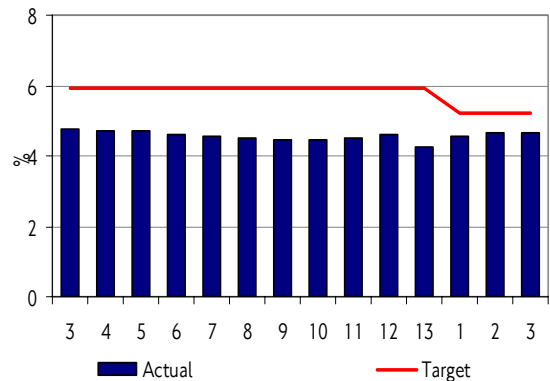


- 9.7 The percentage of Black, Asian and Minority Ethnic Group (BAME) staff employed at TfL at the end of quarter one was 33.8 per cent, an increase of 0.2 per cent on quarter four and significantly above the year end target of 26.8 per cent. This target was representative of the economically active London population at the time the TfL budget was agreed. The percentage of BAME staff in senior management was 11.8 per cent, an increase of 0.1 per cent on quarter four and 0.5 per cent below the year end target of 12.3 per cent. ¹
- 9.8 The TfL Race Equality Scheme (RES) will be reviewed and updated for 2008-2011. A pan TfL working group has been established to progress and develop the RES and associated action plans. The TfL mentoring programme has continued to target, and successfully attract, a wider representation from BAME participants than is reflective of the workforce - 48 per cent of phase one participants are BAME staff compared with 33 per cent of the total workforce.

Disabled staff



Disabled staff in Senior Management



- 9.9 The percentage of disabled staff has decreased by 0.2 per cent this quarter to 7.0 per cent against the year end target of 8.0 per cent. The percentage of disabled staff in senior management has risen by 0.3 per cent to 4.6 per cent against the year end target of 5.2 per cent. This measure is based upon the percentage of staff self-reporting as disabled, compared to total staff numbers. The year-on-year percentage decline results from increasing numbers of new staff reporting as non-disabled, whilst the actual number of disabled staff employed by TfL has not declined. The London Underground work experience programme for disabled people has commenced. Six candidates have been selected by a competency-based interview and sponsor recruitment is now underway. A work placement initiative is also being developed in Surface Transport.

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

9.10 Quarter one data indicates that out of a total of 21,114 staff, 4,045 have either declared their sexual orientation or preferred not to say. Of this total 6.7 per cent declared that they were lesbian, gay or bisexual.

Efficiencies

10.0 At £217 million, the 2007/08 efficiency programme full year target is 11 per cent greater than the 2006/07 year-end efficiency total of £193 million. Recurring efficiencies sustained from previous years comprise £179 million of the target, with the remainder to be achieved in-year.

10.1 At the end of the first quarter the full year efficiency forecast is £212 million, £6 million less than target. This is mainly due to:

- less than anticipated in-year procurement efficiencies being formally recorded to date
- reduced recurring staff and Business Improvement Programme (BIP) efficiencies resulting from increasing HRS staff numbers and a non-recurrence of IM savings from previous years.

Although the forecast is below the target, a number of work streams are now in place to identify further procurement and other efficiencies to ensure that the overall target is reached by year end.

Efficiency Initiatives £ m	Full Year (Sustained)		Full Year (In Year)		Total	
	Forecast	Var to Budget	Forecast	Var to Budget	Forecast	Var to Budget
Procurement	56	-	13	(4)	69	(4)
Staff & BIP	22	(1)	10	-	32	(1)
Marketing & Other	20		-	-	24	4
Total Back Office	97	(1)	23	(4)	125	(1)
Rail	2	-	-	-	2	0
Bus Network	59	-	-	-	59	0
Road Maintenance		-	3	-	3	0
Tube Lines refinancing	2	-	-	-	2	0
LUL Operational Efficiencies	15	-	2	-	17	0
LUL Communication Infrastructure	5	-	-	-	5	0
Total Operations	87	0	-	-	87	-
Total Cashable (lower than budget)	180	(1)	28	(4)	212	(6)

Tables may be subject to rounding errors

Targets for operational efficiencies, all of which are sustained from previous years, are forecast to be met by year end.

Financial performance

Group Highlights

- 11.0 TfL operating income was £8 million lower than budget in quarter one, primarily due to lower than budget Surface Transport fare income and reduced income from Underground advertising, which was partially offset by increasing Underground fare income. For the full year, TfL operating income is forecast to be £16 million below budget primarily due to different bus fare levels, as announced by the Mayor, than were assumed at the time of the budget. Total TfL operating expenditure, was £51 million lower than budget in quarter one and forecast to be £6 million below budget for the full year.
- 11.1 Net capital expenditure at the end of the quarter was £31 million lower than budget, after reductions for overprogramming and third party capital receipts and reimbursements. Net capital expenditure for the full year is now forecast to be £3 million below budget. Further detail regarding investment activity is available in the First Quarter Investment Programme Report.
- 11.2 Net interest income in the quarter exceeded budget by £3 million and this variance is forecast to increase to £22 million at year end. This position is reflective of current interest rates.
- 11.3 The two Metronet PPP companies who are responsible for the BCV and SSL lines went into PPP Administration on the 18 July 2007. TfL has been working with the Appointed Administrators (Ernst and Young) to ensure that in the short term essential work continues to enable the continued safe operation of the Tube, and to develop a long-term viable solution for the Metronet businesses. To this end TfL has provided loan facilities to the Metronet Administrator of up to £900m for 6 months, at market rate. This sum is currently being funded from TfL Group-wide earmarked reserves. In its ongoing discussions with the Government on the Spending Review 2007, TfL is agreeing how and when its reserves will be replenished in accordance with the PPP comfort letter supplied by Government. Whilst this uncertainty continues TfL is forecasting to fully provide for the loan amount in its 2007/8 expenditure. The level of project commitments is being monitored until such time that there is clarity of the way forward, although there is no impact on the delivery of the Investment Programme at present.
- 11.4 Full year TfL net service expenditure, which includes the loan provision of £900 million made available to the Metronet administrators described above, is now forecast to exceed budget by £886 million.
- 11.5 A modal summary of financial performance is provided in Annex Two.

Net Service Expenditure £m	Year to Date			Full Year	
	Actual	Budget	Variance	Forecast	Variance
Operating Budget					
Income	(724)	(732)	8	(3,263)	16
Operating Expenditure	1,212	1,263	(51)	5,681	(6)
Net Operating Expenditure	488	531	(43)	2,418	11
Capital Budget					
Capital Expenditure	171	214	(43)	1,145	(23)
Reimbursements	(31)	(43)	12	(157)	20
Net Capital Expenditure	141	172	(31)	989	(3)
Capital Income	(30)	(31)	1	(52)	(0)
Interest Income	(24)	(21)	(3)	(94)	(20)
Debt Servicing Costs	25	26	(0)	109	(2)
<i>Net Interest Income</i>	<i>1</i>	<i>4</i>	<i>(3)</i>	<i>15</i>	<i>(22)</i>
Contingency	-	2	(2)	35	-
Provision for Metronet	-	-	-	900	900
Net Service Expenditure	600	678	(78)	4,304	886

Table may be subject to rounding errors

Operating Income

- 11.6 TfL operating income was £8 million lower than budget in of quarter one, primarily due to lower than budget bus network income, as well as reduced income from the Congestion Charging scheme and the contract for commercial advertising on the Underground network. This variance was offset to some extent by higher Underground fare income. For the full year, TfL operating income is forecast to be £16 million below budget.
- 11.7 In Surface Transport, Bus Network fare income was £5 million below budget in the first quarter due to a faster than anticipated decrease in the use of Bus Passes and cash. 2.1 per cent of passengers now use cash fares, compared to 5.0 per cent a year ago. Oyster pay as you go journeys comprised 14.4 per cent of all bus journeys, compared to 9.3 per cent in 2006/07. Congestion charging income was £2 million below budget, principally due to the continuing trend of fewer standard congestion charge payments following the introduction of the Western Extension Zone, however this was partially offset by increased Congestion Charging enforcement income. TPED (Transport Policing and Enforcement Directorate) income was £2 million lower than budget due to fewer than expected bus lane enforcement penalties issued. Full year Surface Transport fare income is forecast to be £28 million lower than budget largely due to the impact of the bus fare decrease (applicable from 30 September 2007) and lower than anticipated fare increases (due in January 2008).
- 11.8 In Surface Transport, Bus Network fare income was £5 million below budget in the first quarter due to a faster than anticipated decrease in the use of Bus Passes and cash. 2.1 per cent of passengers now use cash fares, compared to 5.0 per cent a year ago. Oyster pay as you go journeys comprised 14.4 per cent of all bus journeys, compared to 9.3 per cent in 2006/07. Congestion charging income is £2 million below budget, principally due to the continuing trend of reduced standard congestion charge payments following the introduction

of the Western Extension Zone, however this is partially offset by increased Congestion Charging enforcement income. Full year Surface Transport fare income is forecast to be £28 million lower than budget largely due to the impact of the bus fare decrease (applicable from 30 September 2007) and lower than anticipated fare increases (due in January 2008).

- 11.9 In quarter one, Underground fare income exceeded budget by £8 million, reflecting the 8 per cent year-on-year growth in passenger demand. At the end of quarter one, 3.8 per cent of Underground journeys were cash fares, compared to 6.4 per cent in 2006/07 and Oyster single fares comprised 25.8% of all Underground journeys. As a result of the increasing levels of patronage, the year end forecast is £33 million higher than budget.
- 11.10 On the DLR fare income was £1 million below budget in the quarter and forecast to be £2 million below budget for the full year. Other income was £8 million below budget as a result of lower than expected commercial advertising revenue on the Underground network.

2006/07 YTD Actual	Income £m	Year to Date			Full Year	
		Actual	Budget	Variance	Forecast	Variance
(322)	Underground fares Income	(343)	(335)	(8)	(1,550)	(33)
(225)	Bus Network fares Income	(239)	(243)	5	(1,031)	28
(12)	DLR Fare Income	(14)	(15)	1	(60)	2
(559)	Fares Income	(595)	(593)	(2)	(2,641)	(3)
(57)	Congestion Charging - fees and enforcement income	(73)	(75)	2	(333)	8
(10)	TPED enforcement income	(13)	(15)	2	(76)	1
(52)	Other Income	(42)	(49)	6	(212)	10
(678)	Total Income	(724)	(732)	8	(3,263)	16

Table may be subject to rounding errors

Operating Expenditure

- 11.11 Total operating expenditure, at £1,212 million, was £51 million lower than budget in quarter one. Full year end total operating expenditure (not including the Metronet provision) is forecast to be £6 million below budget as Surface Transport, Group Directorates and London Rail are forecast to exceed the operating expenditure budget by a total of £44 million, offset by the Underground year end forecast of £50 million below budget. Inclusive of the provision for the loan made to the Metronet Administrator, the forecast will exceed budget by £886 million.
- 11.12 On the Underground, operating expenditure was £33 million below budget in the first quarter, principally attributable to lower Infracore performance payments, together with lower than budgeted risk events and electricity costs. These factors are also reflected in the year end forecast which is £50 million below budget.
- 11.13 At the end of the first quarter, both London Rail and Surface Transport are below budgeted levels of operating expenditure, but have forecast year end operating expenditure in excess of budget. In London Rail this is as a result of the increased cost of the Overground concession. In Surface Transport, this is due to increased funding for the London Safety Camera Partnership, and work originally budgeted as capital expenditure (£16.8 million) on the Low Emission Zone and walking, cycling and accessibility schemes. Re-classified following a review as part of the 2006/07 year end process. The budget will be re-allocated for Quarter 2 reporting accordingly.

2006/07 YTD Actual	Operating Expenditure £m	Year to Date			Full Year	
		Actual	Budget	Variance	Forecast	Variance
559	London Underground	581	614	(33)	2,628	(50)
507	Surface Transport	549	553	(4)	2,546	23
26	London Rail	30	35	(5)	186	12
59	Group Directorates	53	62	(9)	320	9
1,151	Total Operating Expenditure	1,212	1,263	(51)	5,681	(6)

Table may be subject to rounding errors

Capital Expenditure

- 11.14 TfL net capital expenditure at the end of the quarter, after third party capital receipts, reimbursements and reductions for overprogramming, was £30 million lower than budget but the full year forecast for net capital expenditure is £3 million below budget.

2006/07 YTD Actual	Capital Expenditure £m	Year to date			Full Year	
		Actual	Budget	Variance	Forecast	Variance
53	London Underground *	79	101	(22)	409	(14)
41	Surface Transport *	36	51	(15)	259	(59)
17	London Rail	52	64	(12)	424	(3)
3	Group Directorates	4	14	(10)	73	3
-	Overprogramming (Group)	-	(16)	16	(20)	50
114	Capital Expenditure	171	214	(43)	1,145	(23)
(27)	Reimbursements	(31)	(43)	12	(157)	20
87	Net Capital Expenditure	141	172	(31)	989	(3)
(1)	Capital Receipts	(30)	(31)	1	(52)	(0)
85	Net Capital	111	140	(30)	936	(3)

* Shown after delegated overprogramming

Table may be subject to rounding errors

- 11.15 On the Underground, capital expenditure was £22 million below budget in the first quarter due to the re-phasing of accommodation, station congestion relief, accessibility and communications projects. The full year end capital expenditure forecast demonstrates a partial recovery, to £14 million below budget, as work on congestion relief and accessibility projects will accelerate to deliver on schedule.
- 11.16 Surface Transport capital expenditure in quarter one was £15 million below budget as a result of the deferred West Ham Bus Garage scheme, delayed bus infrastructure projects and programme slippage on East London Transit and Greenwich Waterfront Transit. Full year capital expenditure is forecast to be £59 million below budget largely due to programme slippage on West Ham Bus Garage (and the consequential reduction in third-party funding), East London Transit, Greenwich Waterfront Transit, Ticket Technology, Blackwall Tunnel and A316 Country Way. As mentioned in paragraph 11.12, a re-classification of £16.8 million of

the full year Surface Transport capital expenditure budget, to operating expenditure, will be processed for reporting in quarter 2. ¹

- 11.17 For London Rail, capital expenditure for the year to date was £12 million below budget, due to budget phasing issues associated with Stratford Regional and International stations. However this variance is forecast to reduce to £3 million lower than budget by the year end.
- 11.18 Capital expenditure in the Group Directorates was £10 million below budget in quarter one, largely as a result of lower than budgeted expenditure of £2.8 million on the Group Marketing and Communications customer services project and lower than budgeted expenditure on IT projects in Finance of £5.9 million. The year end position for Group Directorate capital expenditure is forecast to exceed budget by £3 million.

¹ For further information on Investment Programme performance please see the Investment Programme Report. (Section 3.9 and 3.10 for East London Transit and Greenwich Waterfront Transit progress update).

Balance sheet

Transport for London Group Balance Sheet at end of Period 3 £m	Variance to Budget
Fixed Assets - <i>lower than budget</i>	63
Debtors and Payments in Advance - <i>lower than budget</i>	14
Cash - <i>lower than budget</i>	24
Creditors - <i>lower than budget</i>	(63)
Deferred Capital Grant - <i>lower than budget</i>	(18)
Provisions - <i>higher than budget</i>	9
Total Net Assets - <i>lower than budget</i>	29

- 12.0 Working capital balances across the group are broadly as expected in the budget other than in London Underground where trade creditors are £73m lower than budget, due to a £40m earlier payment of the Connect delay and disruption claim allied to reduced risk activity (£14m), and lower capital (£7m) and trade creditors/accruals (£12m).

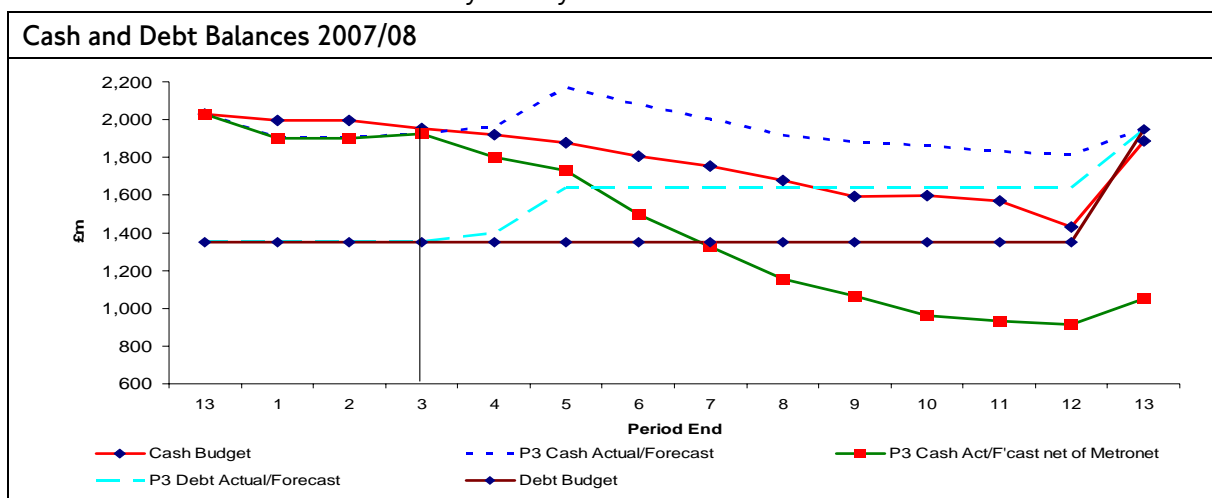
Transport for London Group Balance Sheet Forecast for the Year End £m	Variance to Budget
Fixed Assets - <i>lower than budget</i>	113
Debtors and Payments in Advance - <i>higher than budget</i>	(39)
Cash - <i>lower than budget</i>	837
Creditors - <i>higher than budget</i>	38
Deferred Capital Grant - <i>lower than budget</i>	(73)
Provisions - <i>higher than budget</i>	(112)
Total Net Assets - <i>lower than budget</i>	764

- 12.1 The year end forecast variances are dominated by the impact to cash of the advances forecast to be made to the PPP Administrator in respect of the two Metronet companies. Excluding these payments, working capital variances are within expected tolerance levels, with no significant variances. Changes to fixed assets and deferred grants are due to variances in activities as reported above.

Cash summary

Cash Balances and Debt

- 13.0 Cash balances at 31 March 2008 are forecast to be £1,949 million (budget £1,889 million) before taking into account the Loan Facility granted to Metronet companies in administration.
- 13.1 The graph below shows the actual/forecast cash balances and debt compared to budget at each period end throughout the year. Of the £600 million budgeted borrowing, £288 million was borrowed from PWLB (£50 million on 2 July, £150 million on 20 August, £63 million on 29 August and £25 million on 3 September) with the approval of the Finance Committee, to take advantage of low long-term borrowing rates. TfL is committed to drawing down £112 million from the European Investment Bank in period 13 to fund the East London Line leaving £438 million forecast to be borrowed in period 13. The green line shows the effect on cash balances if the Metronet loan facility is fully drawn down over the next six months.



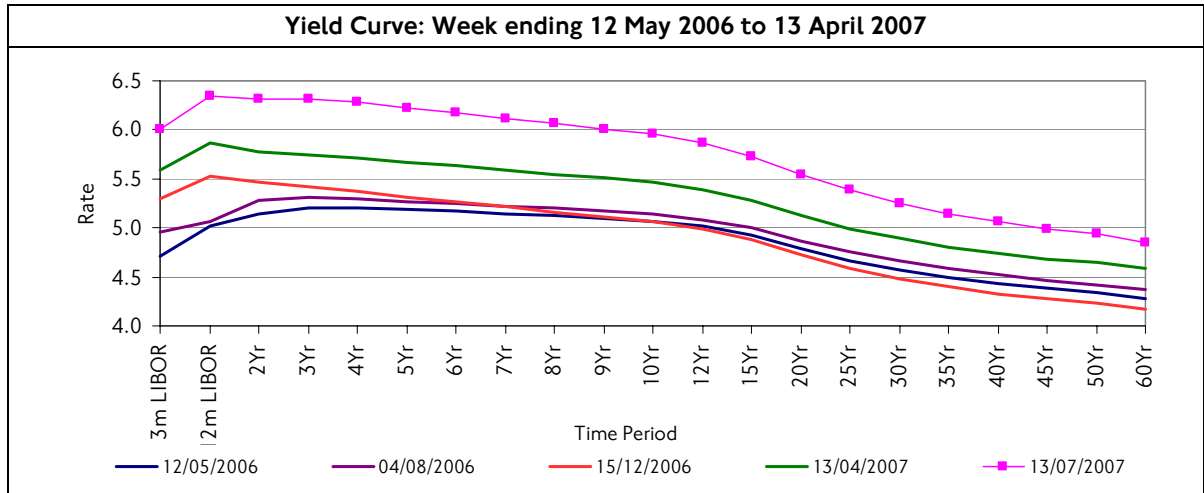
- 13.2 A summary of approved investments and cash balances over the quarter is provided in Annex Five.

Performance

- 13.3 Performance is now measured against a tighter benchmark of the average of 3 month's London Interbank Offered Rate (LIBOR) minus 12.5 basis points (previously the average of 3 month's LIBOR minus 15 basis points). TfL's returns dropped below this benchmark for only one period and exceeded it in the latter two, resulting in an overall excess over benchmark of one basis point.
- 13.4 Results for the last three periods are noted in the table below:

Treasury Management Yield	Period 1	Period 2	Period 3	YTD Actual	Full Year	Full Year
Period End:	28 April	26 May	23 June	23 June	Forecast	Budget
	%	%	%	%	%	%
Benchmark	5.42	5.47	5.56	5.48		
Average Rate of Return	5.41	5.48	5.59	5.49	5.67	4.87
Variance to Benchmark (lower) / higher	(0.01)	0.01	0.03	0.01		
Interest Earned, Period	£8.2m	£8.0m	£8.1m			
Interest Earned, Year to Date	£8.2m	£16.2m	£24.3m	£24.3m	£94.2m	£73.9m

- 13.5 The Metronet facility makes provision for interest to be paid at a commercial rate. If this is paid, TfL's interest earnings will increase by £20 million.
- 13.6 The latest yield curve summary is shown below for information. It reflects the general view that short-term rates will rise further this year with the yield curve peaking at the 12 month rate of 6.34 per cent (5.865 per cent week ending 13 April). Long-term rates are now being cautiously marked upwards with a full 27 basis points increase in the 60 year swap rate since April to 4.85 per cent (week ending 13 July).



Annex One: Performance Summary

2006/07		Quarter 1				Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	F'Cast	Target	Var	PY
Service Demand									
Passenger Journeys - TfL Group	m	764.6	758.4	6.2	674.3	3,315.7	3,303.9	11.8	2,984.8
Passenger Journeys - LU	m	241.6	234.5	7.0	223.8	1,087.5	1,048.0	39.5	1,014.3
Passenger Journeys - Buses	m	501.3	502.2	(1.0)	430.6	2,160.3	2,160.4	(0.1)	1,880.3
Passenger Journeys - DLR	m	14.8	14.8	(0.0)	13.7	63.4	66.6	(3.1)	61.3
Passenger Journeys - Trams	m	5.9	5.7	0.2	5.1	**	24.6	-	24.8
Coach Departures - Victoria Coach Station	'000s	43.3	44.3	(1.0)	44.3	187.0	187	-	187.2
Passenger Journeys (excl multi stop) - River Services	'000s	615.3	560.0	55.3	542.7	2,445.0	2,000	445.0	2,085.1
Passenger Journeys (multi stop) - River Services	'000s	170.5	141.0	29.5	139.4	629.5	600	29.5	661.6
Total Trips - Dial a Ride	'000s	259.5	343.7	(84.2)	277.1	1,364.3	1,517.9	(153.5)	1,173.2
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	212.2	183.8	28.4	188.9	205.0	186.0	19.0	182.6
Service Provision (Supply)									
% Scheduled Services Operated - LU	%	95.6	95.1	0.5	94.9	95.2	95.1	0.1	94.5
% Trains Operated in Peak Hours - LU	%	97.3	-	-	97.4	**	No Target	-	96.9
Train Kilometres Operated - LU	m	16.3	16.1	0.2	16.1	71.5	71.3	0.2	69.8
% Scheduled Services Operated - Buses	%	97.7	98.1	(0.4)	97.8	97.6	97.8	(0.2)	97.5
Bus Kilometres Operated - Buses	m	105.3	105.9	(0.6)	104.8	465.1	467.4	(2.3)	457.9
% Scheduled Services Operated - DLR	%	99.0	98.0	1.0	99.0	98.2	98.0	0.2	99.1
Train Kilometres Operated - DLR	'000s	1,010.5	1,009.7	0.8	988.0	4,526.6	4,526.6	-	4,383.0
% Scheduled Services Operated - Trams	%	98.7	98.0	0.7	99.1	**	98.0	-	99.3
% Scheduled Services Operated - River Services	%	98.0	98.5	(0.5)	98.6	98.3	98.5	(0.2)	98.5
No. of Taxi Drivers Licensed - PCO	'000s	24.5	24.9	(0.4)	24.6	24.9	24.9	-	24.6
No. of Private Hire Drivers Licensed - PCO	'000s	41.3	36.0	5.3	31.1	40.0	36.0	4.0	38.0
Reliability									
Overall Delay (Index = 100) - TfL Group	#	89.5	86.5	3.0	84.0	**	87.5	-	-
Excess Journey Time (Weighted) - LU	Mins	7.3	7.5	(0.2)	7.7	**	7.5	-	8.1
Peak Train Cancellations, Due to ONAs - LU	%	0.1	0.6	(0.5)	0.1	**	0.6	-	0.1
PPP Availability, Lost Customer Hours - LU	m	4.1	3.6	0.5	3.2	**	15.6	-	14.6
Excess Wait Time, High Freq Routes - Buses	Mins	1.0	1.1	(0.0)	1.1	1.1	1.1	(0.0)	1.1
On Time Performance, Low Freq Routes - Buses	%	79.3	77.5	1.8	78.0	78.2	77.0	1.2	78.1
On Time Performance, Night buses - Buses	%	85.5	84.2	1.4	86.2	85.5	82.9	2.6	85.2
On Time Performance - DLR	%	97.8	96.0	1.8	97.8	96.4	96.0	0.4	97.8
Road Traffic Signals Operating Effectively	%	99.3	98.6	0.7	98.8	-	98.6	-	-
Safety									
Major Injuries & Fatalities - LU (per million passenger journeys)	#	0.18	-	-	0.1	**	No Target	-	0.2
Major Injuries & Fatalities - Buses (per million passenger journeys)	#	0.8	-	-	1.1	**	No Target	-	0.7
Major Injuries & Fatalities - DLR	#	0.1	#N/A	-	0.3	**	No Target	-	0.1
KSI, Total Londonwide - Road Network ++	#	572	552	20	617	**	3,527	-	3,946
KSI, Total TLRN - Road Network ++	#	159	153	6	178	**	968	-	1,124
KSI, Powered 2-Wheel Riders Londonwide - Road Network ++	#	115	99	16	118	**	731	-	848
KSI, Children Londonwide - Road Network ++	#	39	46	(7)	60	**	363	-	392

GREEN: better than or equal to target; **AMBER:** within 5% of target; **RED:** 5% or more below target. ++ Due to the reporting process and nature of road traffic accident data, it will always be reported 4 to 5 months in arrears.

Annex One: Performance summary (continued)

2006/07 Key Performance Indicator	Unit	Quarter 1				Full Year			
		Actual	Target	Var	PY	F'Cast	Target	Var	PY
Customer Satisfaction									
Overall Customer Satisfaction - TfL Group	Score	79.1	78.3	0.7	78.4	-	78.3		77.4
Customer Satisfaction - LU									
Overall	Score	78.0	78.0	-	78.0	**	78.0	-	76.0
Crowding	Score	72.0	-	-	72.0	**	No Target	-	71.0
Safety & Security	Score	81.0	-	-	81.0	**	No Target	-	80.0
Information	Score	79.0	-	-	79.0	**	No Target	-	79.0
Customer Satisfaction - Buses									
Overall	Score	79.0	78.0	1.0	78.0	78.0	78.0	-	-
Crowding	Score	78.0	77.0	1.0	77.0	77.0	77.3	(0.3)	-
Safety & Security	Score	85.0	83.0	2.0	81.0	83.0	83.0	-	-
Information	Score	75.0	75.0	-	73.0	75.0	75.0	-	-
Reliability Journey Waiting Time	Score	80.0	80.0	-	79.0	80.0	80.0	-	-
Customer Satisfaction - DLR									
Overall	Score	97.4	90.0	7.3	96.4	**	90.0	-	96.8
Information	Score	97.9	90.0	7.9	95.9	**	90.0	-	96.5
Safety & Security	Score	97.6	90.0	7.6	94.9	**	90.0	-	95.6
Overall Customer Satisfaction - Trams	Score	86.0	-	-	83.0	**	No Target	-	-
Overall Customer Satisfaction - Dial-A-Ride	Score	93.0	-	-	92.0	**	No Target	-	-
Overall Customer Satisfaction - VCS	Score	78.0	78.0	-	79.0	**	76.0	-	-
Financial Efficiency									
Cost per passenger Kilometre - LU	p/km	25.5	27.8	(2.3)	26.8	**	26.9	-	26.7
Income per passenger Kilometre - LU	p/km	(20.4)	(20.3)	(0.1)	(21.4)	**	(20.5)	-	(20.4)
Cost per passenger Kilometre - Buses	p/km	22.1	23.5	(1.3)	22.9	22.9	24.3	(1.4)	23.1
Income per passenger Kilometre - Buses	p/km	(13.7)	(14.8)	1.1	(14.1)	(13.6)	(14.9)	1.3	(14.3)
Cost per Trip - Dial-A-Ride	£	26.7	16.2	10.5	22.6	21.3	17.8	3.5	23.8
People									
Number of Staff - TfL Group	FTE	21,114	21,178	(64)	20,199	22,065	21,440	626	20,778
Sickness Absence per Employee									
TfL Group	Days	2.2	2.4	(0.1)	2.6	10.9	11.1	(0.2)	11.7
LU	Days	2.4	2.6	(0.2)	2.8	11.8	12.0	(0.2)	12.8
Surface Transport	Days	2.2	2.1	0.1	2.2	9.5	9.5	0.0	10.0
London Rail	Days	0.7	1.2	(0.4)	0.7	4.9	5.0	(0.1)	4.5
Group Directorates	Days	1.2	1.5	(0.3)	1.9	7.9	7.2	0.8	8.2
Women Staff - TfL Group	%	23.6	24.3	(0.7)	22.3	23.9	24.3	(0.4)	23.3
BAME Staff - TfL Group	%	33.8	26.8	7.0	32.9	33.0	26.8	6.2	33.6
Disabled Staff - TfL Group	%	7.0	8.0	(0.9)	7.6	8.0	8.0	0.0	7.2
Women Staff in Senior Mgt - TfL Group	%	21.0	21.7	(0.7)	18.8	21.8	21.7	0.1	20.2
BAME Staff in Senior Mgt - TfL Group	%	11.8	12.3	(0.5)	10.6	12.3	12.3	0.0	11.7
Disabled Staff in Senior Mgt - TfL Group	%	4.6	5.2	(0.6)	4.8	5.0	5.2	(0.2)	4.3

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

Table may be subject to rounding errors.

Annex Two: Modal summary of financial performance

Net Service Expenditure £m	Year to Date			Full Year	
	Actual	Budget	Variance	Forecast	Variance
Income					
London Underground	(367)	(366)	(2)	(1,668)	(18)
Surface Transport	(340)	(348)	8	(1,503)	36
London Rail	(14)	(15)	1	(75)	(2)
Group Directorates	(3)	(3)	0	(17)	0
	(724)	(732)	8	(3,263)	16
Operating Expenditure					
London Underground	581	614	(33)	2,628	(50)
Surface Transport	549	553	(4)	2,546	23
London Rail	30	35	(5)	186	12
Group Directorates	53	62	(9)	320	9
	1,212	1,263	(51)	5,681	(6)
Net Operating Expenditure	488	531	(43)	2,418	11
Capital Expenditure					
London Underground	79	101	(22)	409	(14)
Surface Transport	36	51	(15)	259	(59)
London Rail	52	64	(12)	424	(3)
Group Directorates	4	14	(10)	73	3
	171	231	(59)	1,165	(72)
Capital Reimbursements					
London Underground	(29)	(30)	1	(100)	5
Surface Transport	(0)	(7)	7	(9)	21
London Rail	(1)	(1)	(0)	(25)	(4)
Group Directorates	0	(5)	5	(24)	(3)
	(31)	(43)	12	(157)	20
Overprogramming	-	(16)	16	(20)	50
Net Capital Expenditure	141	172	(31)	989	(3)
Capital Receipts	(30)	(31)	1	(52)	(0)
Group Items					
Interest Income	(24)	(21)	(3)	(94)	(20)
Debt Servicing Costs	25	26	(0)	109	(2)
Contingency	-	2	(2)	35	-
Provision for Metronet Administration	-	-	-	900	900
Net Service Expenditure	600	678	(78)	4,304	886

() Variance is an above budget for income and below budget for expenditure.
Table may be subject to rounding errors

Annex Three: Balance Sheet

Balance Sheet £m	23 June 2007			29 March 2008	
	Actual	Budget	Variance	Forecast	Variance
Fixed Assets					
Tangible Assets	15,627	15,690	63	16,625	113
Current Assets					
Stocks	5	5	-	5	-
Debtors	201	204	3	187	11
Payments in Advance	147	158	11	192	(50)
Cash at Bank and in Hand	1,924	1,948	24	1,052	837
Current Liabilities					
Revenue	(825)	(880)	(55)	(950)	3
Receipts in Advance	(196)	(194)	2	(231)	(1)
Capital	(251)	(257)	(6)	(283)	33
Long Term Liabilities					
Balances with Infracos	(2,332)	(2,343)	(11)	(2,771)	(5)
Prudential Loans	(1,350)	(1,350)	-	(1,950)	-
Creditors Due after One Year	(388)	(381)	7	(378)	8
Capital Grants	(6,978)	(6,996)	(18)	(7,259)	(73)
Pension Provision	(948)	(948)	-	(948)	-
Other Provisions	(232)	(223)	9	(99)	(112)
Total Net Assets	4,404	4,433	29	3,192	764
Capital and Reserves					
Earmarked Reserves	1,211	1,265	54	182	784
Pension Reserves	(948)	(948)	-	(948)	-
General Fund	179	174	(5)	177	-
Other Reserves	3,962	3,942	(20)	3,781	(20)
Total Capital Employed	4,404	4,433	29	3,192	764

Annex Four: Cash Summary

Cash Summary £m	Full Year			Full Year	
	Actual	Budget	Variance	Forecast	Variance
Net Revenue Expenditure	(490)	(537)	(47)	(3,368)	889
Working Capital Movements	(68)	38	106	105	(33)
Cash Spend on Operating Activities	(558)	(499)	59	(3,263)	856
Net Capital Expenditure	(141)	(183)	(42)	(1,043)	(72)
Working Capital Movements	(2)	(7)	(5)	(33)	33
Cash Spend on Capital Activities	(143)	(190)	(47)	(1,076)	(39)
Funded by:					
Transport Grant	566	565	(1)	2,595	-
Precept Funding	2	2	-	12	-
Prudential Borrowing	-	-	-	600	-
Third Party Contributions	30	43	13	157	20
Total Funding	598	610	12	3,364	20
Net Movement in Cash	(103)	(79)	24	(975)	837