



TfL Audit and Assurance Committee Performance Metrics Quarter 2, 2021/22

1 December 2021

Appendix 1



Audit Committee performance metrics to Q2, 2021/22

Total operating income: £101m lower than the Revised Budget. Passenger income is £1,250m in the year to date, which is almost double that from last year, but (£120m) below Budget. This is driven by lower journeys across all modes, partly a result of the delay to Step 4 of the Government's roadmap, followed by the holiday season. Journeys have increased since the end of the Summer, but Tube journeys are not yet reaching expected levels. Other operating income is £19m higher than Budget, driven by higher Road User Charging, media and property income.

Operating costs £68m below Budget: lower underlying costs (£30m), timing differences (£9m) and release of central contingency held to mitigate high risk uncertainties e.g. RUC revenues (£30m).

Total capital expenditure (excluding Crossrail): £72m lower than Budget, largely a result of project slippage and deferrals, partly driven from the short term and stop-start nature of the current funding agreements.

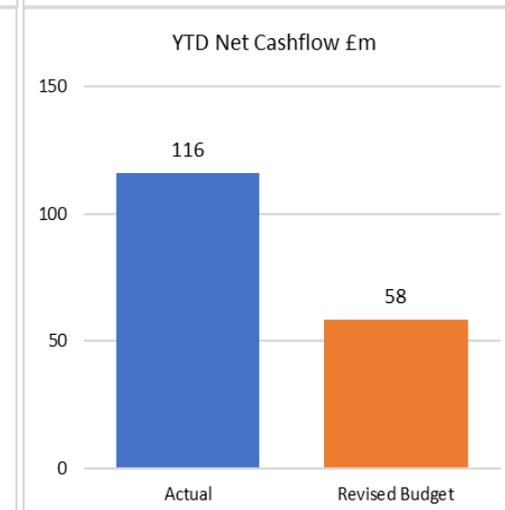
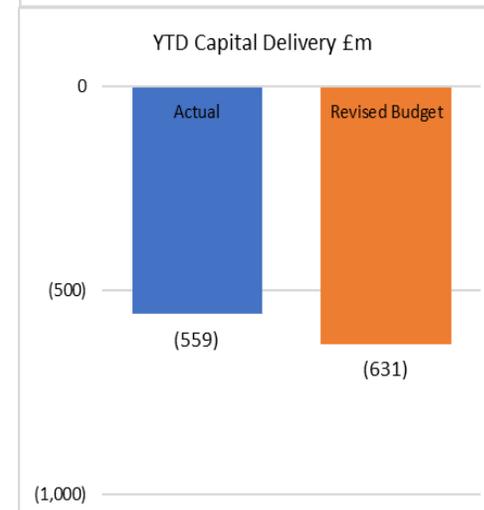
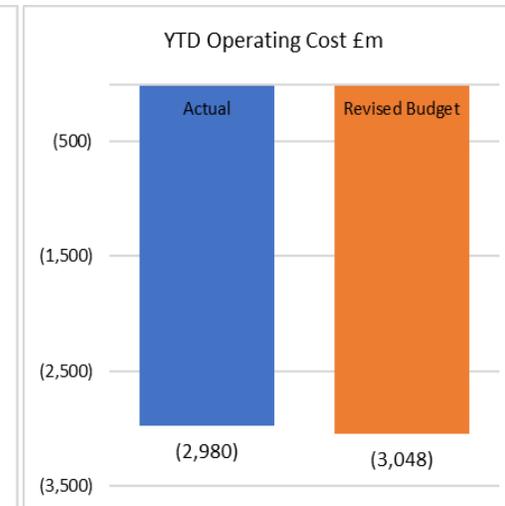
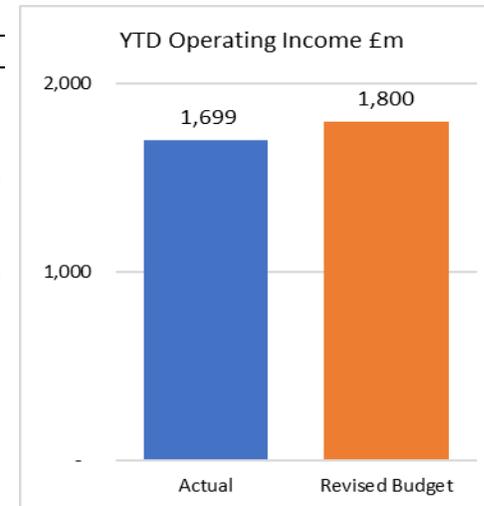
Forecasting accuracy

Quarterly Forecasting Accuracy*

£m	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Operating Income	697	699	800	899
Variance to reported Budget	100	29	196	(137)
Operating Cost	(1,517)	(1,967)	(1,487)	(1,494)
Variance to reported Budget	29	268	71	75
Capital Delivery**	(289)	(517)	(271)	(288)
Variance to reported Budget	27	20	191	202
Net Cashflow	87	(78)	42	74
Variance to reported Budget	98	(5)	(163)	44

YTD Forecasting Accuracy - Q2 2021/22

£m	YTD
Operating Income	
Actual	1,699
Revised Budget	1,800
Operating Cost	
Actual	(2,980)
Revised Budget	(3,048)
Capital Delivery	
Actual	(559)
Revised Budget	(631)
Net Cashflow	
Actual	116
Revised Budget	58



*Reporting is against the 2020/21 Revised Budget for Q3-Q4, the March TfL Budget for Q1 2022 and the 2021/22 Revised Budget for Q2 2022

** Total TfL capital expenditure excludes amounts relating to Crossrail

Audit Committee performance metrics to Q2, 21/22

Value of open items > 30 days on the bank reconciliation has remained steady but volume has dropped significantly as a large volume of postings with low value were cleared in Q2. The number of open items continues to be reviewed by the BSF O2C team to actively clear out the more than 30 days.

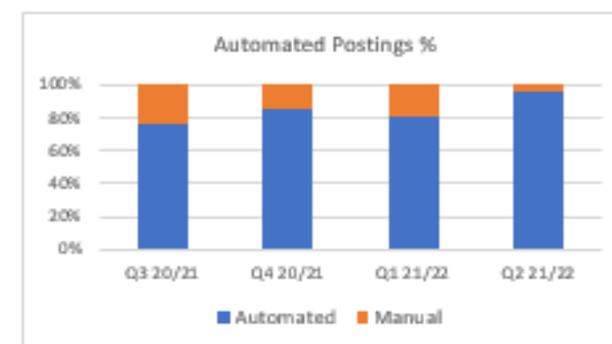
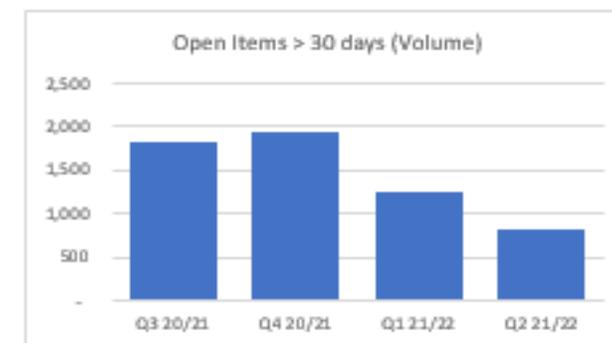
The volume of manual postings have decreased significantly from 1.8k in Q1 to 0.3k in Q2 due to lower number of invoices raised in Q1 vs Q4 of last fiscal year which were settled in the succeeding quarter.

Finance/BSF will continue to review manual postings to seek further automation opportunities.

Processing payments

Quarterly Figures

£m	Q3 20/21	Q4 20/21	Q1 21/22	Q2 21/22
Open Items < 30 days (£m Value)	(18.6)	(7.8)	(11.8)	(11.0)
Open Items > 30 days (£m Value)	4.90	0.05	0.06	(0.09)
Open Items < 30 days (Volume)	935	946	871	1,816
Open Items > 30 days (Volume)	1,819	1,927	1,263	817
Automated Postings %				
Automated	6,710	8,946	7,145	8,512
Manual	2,075	1,524	1,782	339
Automated	76%	85%	80%	96%
Manual	24%	15%	20%	4%



Audit Committee performance metrics to Q2, 21/22

Retrospective PO by Value and Volume:

- Increase in retrospective PO in P7 due to a £1 4m Arriva Rail London payment
- Monitoring and behaviour change initiative continues with the Procurement and Supply Chain Improvement Programme deploying new tools (Ariba) and processes over the next FY.

Benefits Delivery:

- Benefit delivery forecast continues to increase as Benefit Methodology embeds and work continues with finance to reconcile savings.

Non Competitive Transaction (NCTs) by Value and Volume:

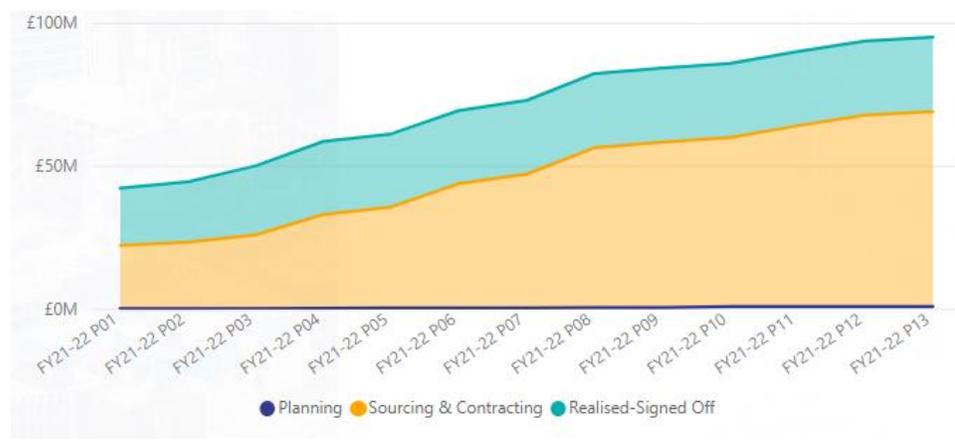
- Direct award volume falls in period 7

Procurement activity

Retrospective PO Spend



Benefit Delivery

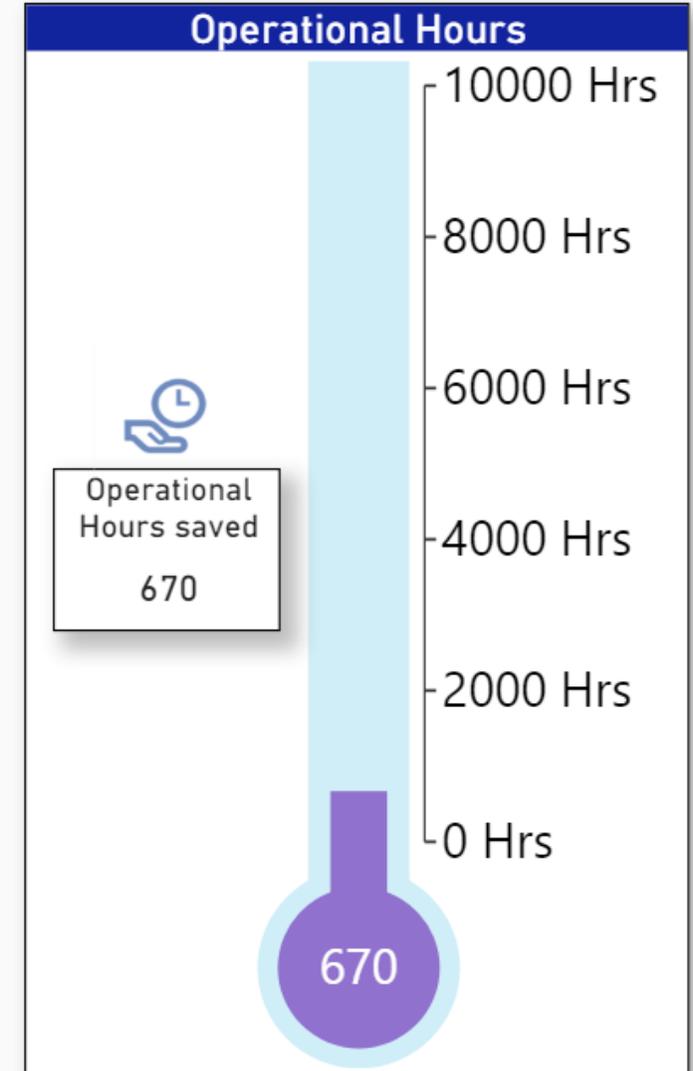
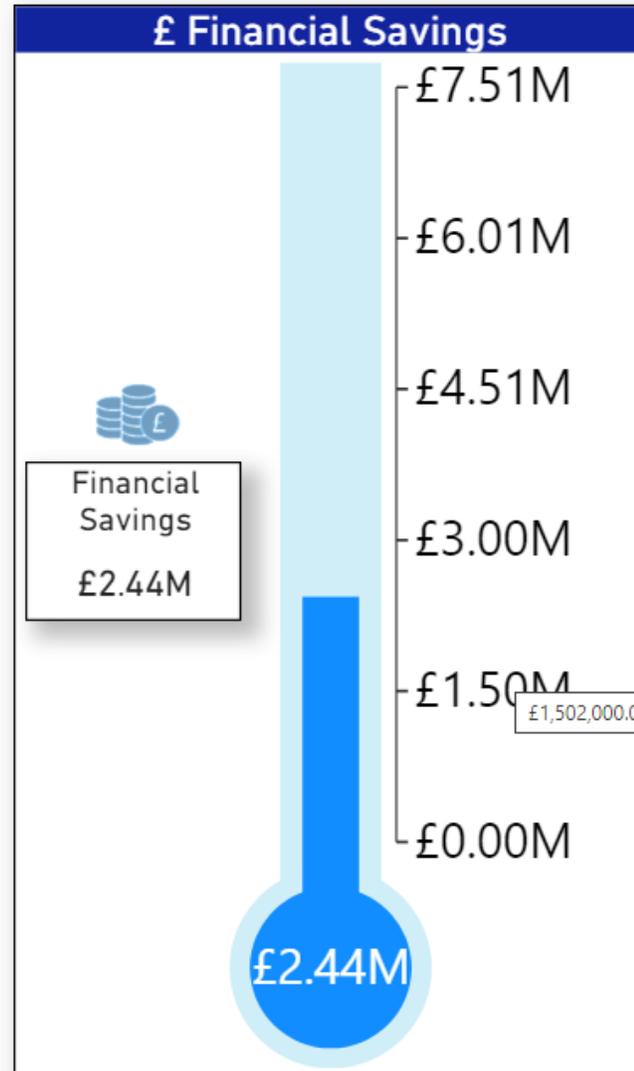


Direct Awards (Previously NCTs)



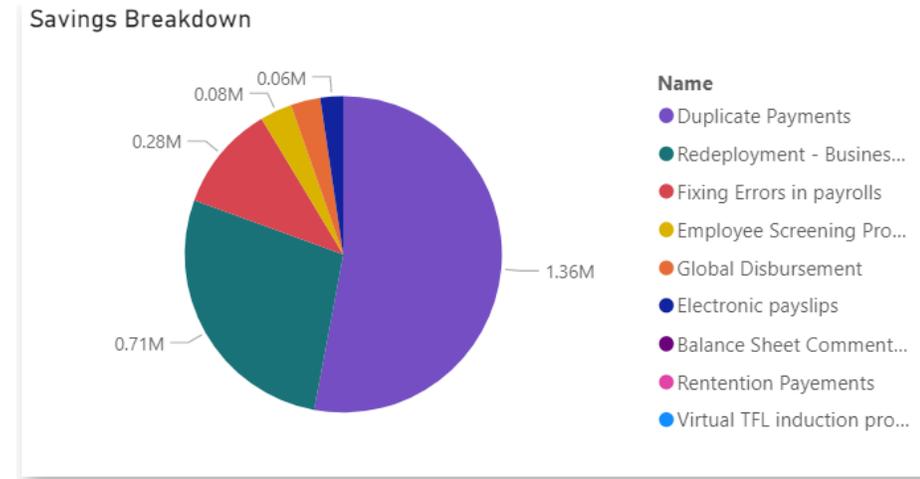
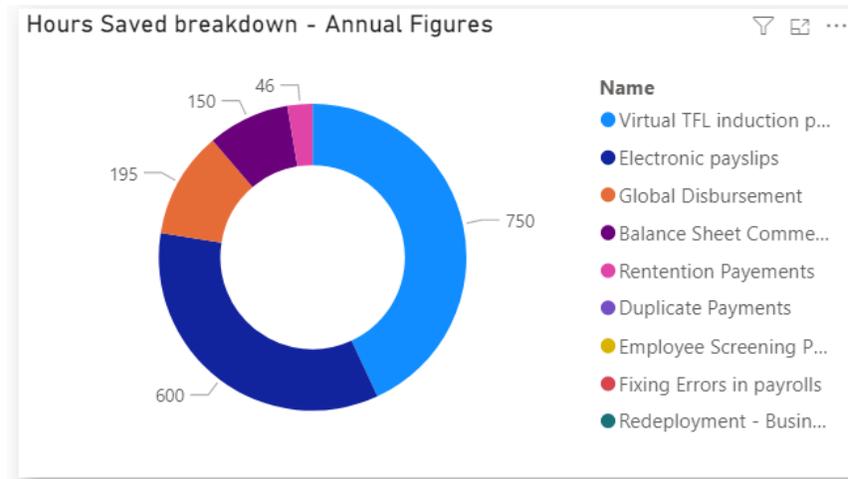
Audit Committee performance metrics to Q2, 21/22

Business Services Function: additional savings and cost avoidance (summary)



Audit Committee performance metrics to Q2, 21/22

Business Services Function: additional savings and cost avoidance (breakdown)



Area	Name	Benefits	Sum of Financial
1	Purchase to Pay	Duplicate Payments Ensured duplicate payments are identified and stopped and root cause understood. Most cases this is due to vendors sending the same invoices multiple times for processing.	£1,365,108
2	H2R- Recruitment	Redeployment - Business Savings Redundancy savings and associated medical cost savings for the business through placement of displaced and medically redeployed employees into suitable alternative employment.	£711,698
3	H2R- Employee Payments	Fixing Errors in payrolls This is the value of the errors identified whilst checking the payrolls from April 2021 to 31st August 2021. The main reason for this is incorrect input into SAP.	£278,842
4	H2R- Employee Services	Employee Screening (including Criminality Checks) for new employees to TfL. The new supplier came in 30% cheaper than the previous supplier and have so far delivered an excellent service in the first 6 Months.	£84,000
5	Order to Cash	Global Disbursement Savings realised through lower stationary, printing and postage costs	£78,000