

# Finance Report

## Quarter 4, 2021/22

Management results from 1 April 2021 – 31 March 2022

TfL Board

8 June 2022



## 2021/22 overview

- Journeys continued to recover – TfL journeys up from 40% at the start of the year, ending at 68%. Although, journeys largely plateaued since the autumn due to Omicron and Plan B over winter. Weekend journeys recovered strongly, reaching 80% of pre-pandemic levels from autumn.
- Maintained tight cost control – like-for-like costs stable for past 5 years; real terms reductions of £700m. Operating costs over £450m lower than Budget, from savings, contingency and timing of provisions.
- Capital investment remains constrained – capital expenditure lower than Budget, a result of funding uncertainty and reallocation of capital spend as a result of actual Government funding being £500m below Budget.
- Reduced cash reserves – in line with the Government funding condition, we have reduced our cash reserves to an average of £1.2bn, rather than this being an absolute minimum.
- On trajectory towards financial sustainability – extraordinary Government funding almost halved this year. We received £1.6bn in cash in 2021/22 compared to £3.2bn in 2020/21.

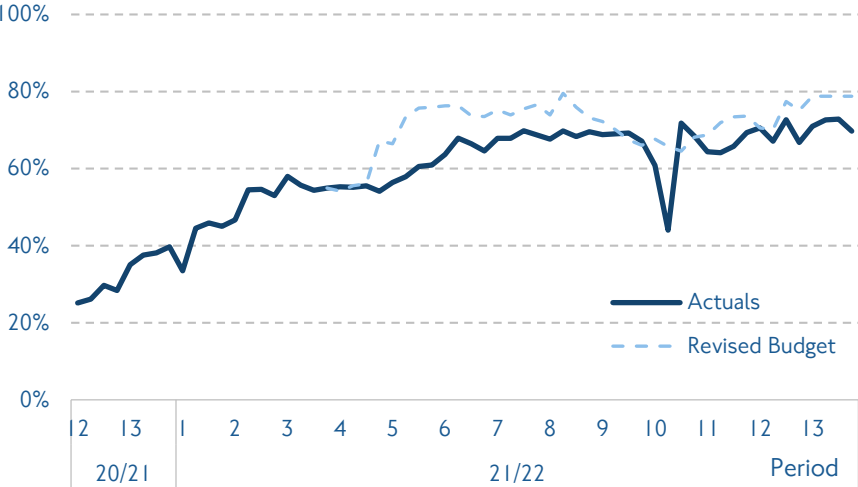
## Forward look

- Funding uncertainty – Current funding agreement with Government expires on 24 June 2022. A further £0.9bn of extraordinary Government funding is required for 2022/23. Limited progress to date, but discussions continue with Government.
- Economic uncertainty – economic growth remains poor; UK economy contracted by 0.1% in March, following no growth in February
- Cost of living challenges – inflationary pressures reducing disposable income – may reduce discretionary spend, and reverse earlier journey growth. Inflation also expected to increase TfL's cost base, with most external contracts linked to inflation indexes.
- Credit rating downgrade – TfL's long-term credit rating recently downgraded by Moody's from A3 to Baa1. Reflects concerns of poor economic growth and inflation, uncertainty on future Government capital funding and the likelihood Government funding continues to come with onerous conditions. No change from other ratings agencies.

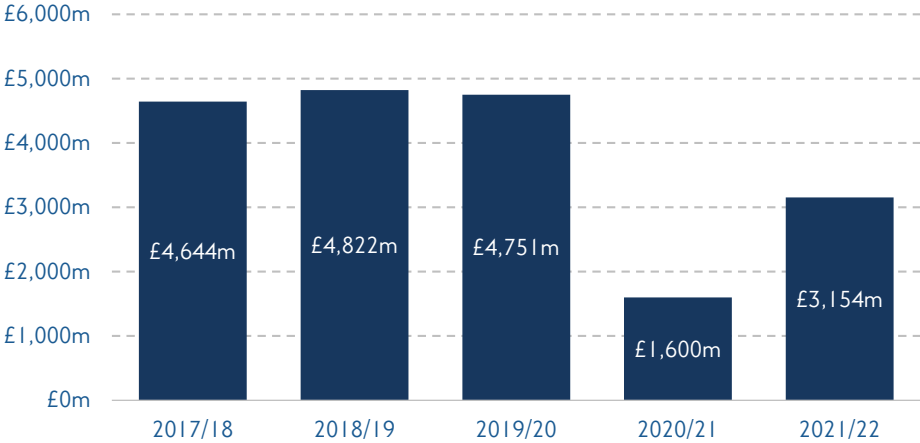


# Headlines

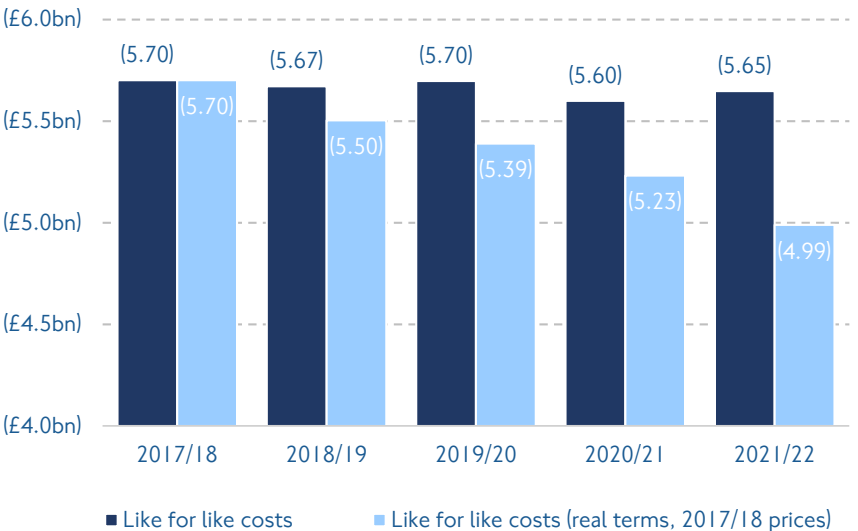
Total passenger journeys 68% at the end of the year; journeys broadly flat since autumn



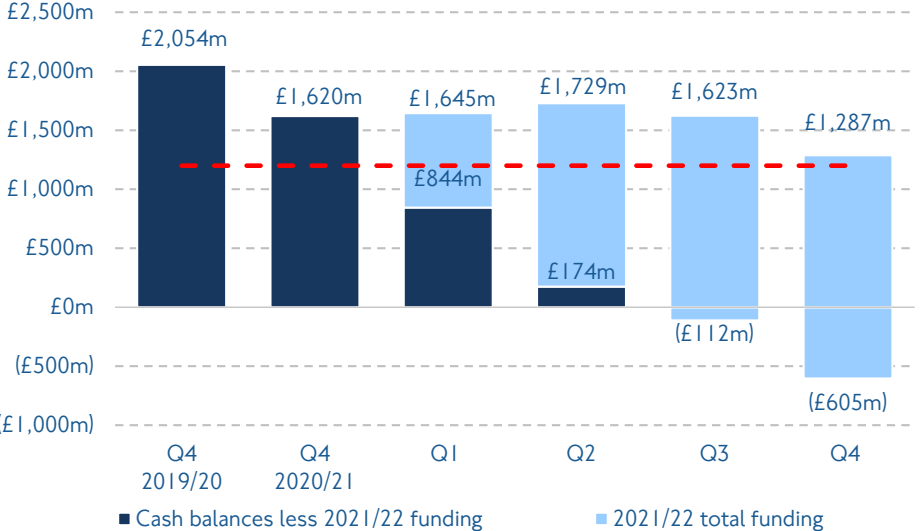
Passenger income over £1.5bn higher than last year, but over £300m lower than Budget; income £1.6bn lower than pre-pandemic levels



Like-for-like operating costs (adjusted for new services and one off costs) are lower than 2017/18; real terms costs £700m lower, reflecting cost control and our savings programme



Cash balances down over £300m in the year and almost £800m lower than 2019/20 levels



# Passenger journeys

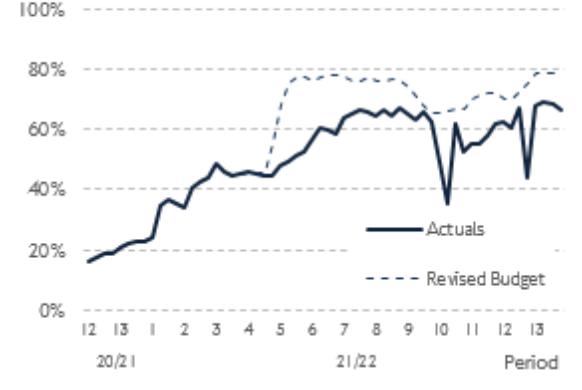
Total journeys were 68% of pre-pandemic levels in the last period of the year, significantly up on the start of the year which saw journeys at 40%. Since the end of Quarter 3, the Omicron variant ushered in a temporary wave of working from home, following government guidance, and saw journeys decline to just above 40%.

Demand has broadly plateaued since the end of Quarter 3, with total TfL journeys hovering at just below 70% of pre-pandemic levels.

TfL	% vs Pre Covid Period / Budget		Absolute m		Var to Bud m
	68%	79%	P	216	-34
			Y	2483	-206



LU	% vs Pre Covid Period / Budget		Absolute m		Var to Bud m
	65%	79%	P	71	-15
			Y	748	-138



Bus	% vs Pre Covid Period / Budget		Absolute m		Var to Bud m
	70%	79%	P	123	-16
			Y	1486	-37



Rail	% vs Pre Covid Period / Budget		Absolute m		Var to Bud m
	70%	80%	P	19	-3
			Y	209	-24

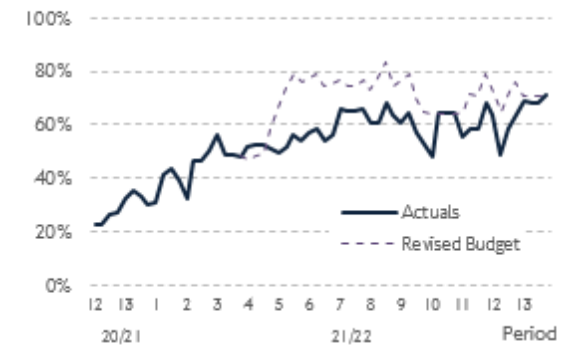


LO	% vs Pre Covid Period / Budget		Absolute m		Var to Bud m
	69%	80%	P	10	-2
			Y	112	-16

DLR	% vs Pre Covid Period / Budget		Absolute m		Var to Bud m
	69%	82%	P	7	-1
			Y	77	-7

Tram	% vs Pre Covid Period / Budget		Absolute m		Var to Bud m
	83%	80%	P	2	0
			Y	19	-1

TfLR	% vs Pre Covid Period / Budget		Absolute m		Var to Bud m
	66%	80%	P	3	0
			Y	40	-6



Journeys compared to pre-pandemic baseline (adjusted 2018/19 journeys)  
 Target is budgeted demand against this baseline; 'P' denotes latest period; 'Y' denotes year-to-date performance

# Operating account

Passenger income is £3,154m over the year, which is over £1.5bn higher than last year, but (£324m) below Budget. This is driven by lower journeys across all modes. Other operating income is (£42m) lower than Budget, driven by lower ULEZ income – driven by higher than expected compliance rate – which has been partly offset by higher Congestion Charge, advertising and property income.

Operating costs are £453m below Budget due to efficiencies, lower staff costs, the release of contingencies held to mitigate high-risk uncertainties, and the timing of provisions.

Capital renewals are £185m lower than Budget; we have reallocated our renewals programme as government funding has been lower than expected.

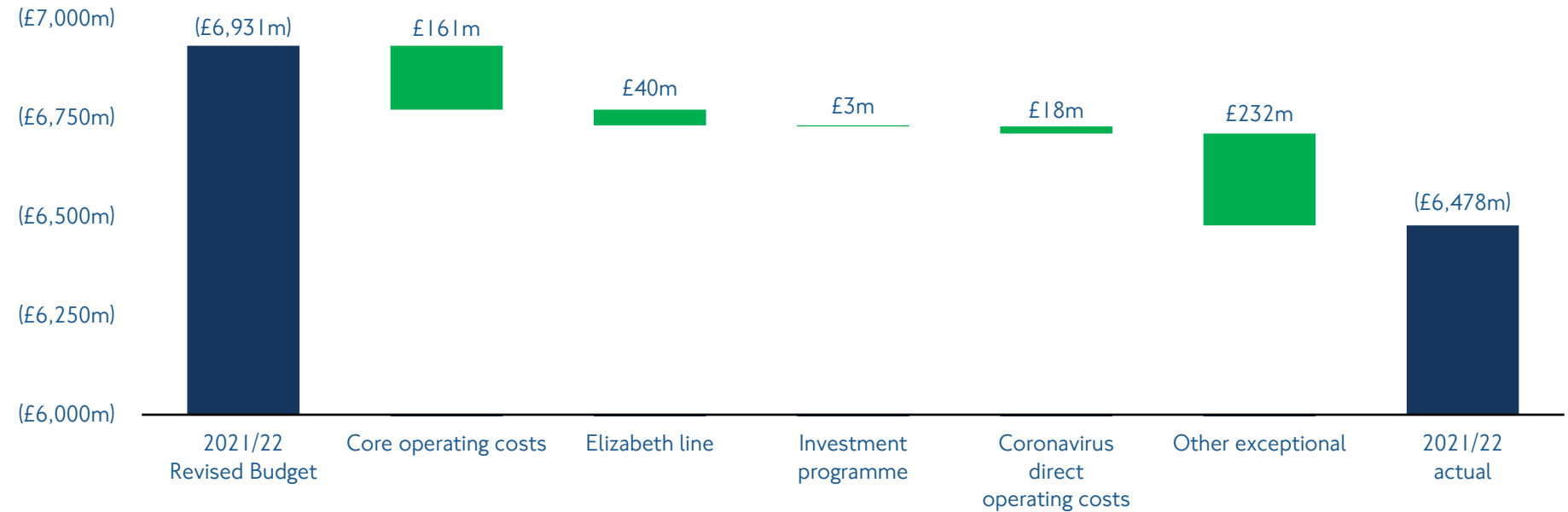
£m	Q4 year to date, 2021/22				Q4 year to date, 2020/21		
	Actuals	Revised Budget	Variance to Revised Budget	% variance to Revised Budget	Last year	Variance to last year	% variance to last year
Passenger income	3,154	3,478	(324)	-9%	1,600	1,554	97%
Other operating income	1,194	1,236	(42)	-3%	777	417	54%
<b>Total operating income</b>	<b>4,348</b>	<b>4,714</b>	<b>(366)</b>	<b>-8%</b>	<b>2,377</b>	<b>1,971</b>	<b>83%</b>
Business Rates Retention	914	914	0	0%	969	(55)	-6%
Revenue grant	73	66	7	10%	59	12	21%
Government furlough grant	0	0	0	N/A	58	(58)	-100%
<b>Total income</b>	<b>5,335</b>	<b>5,694</b>	<b>(359)</b>	<b>-6%</b>	<b>3,463</b>	<b>1,872</b>	<b>54%</b>
Operating cost	(6,478)	(6,931)	453	-7%	(6,381)	(97)	2%
<b>Net operating surplus/ (deficit)</b>	<b>(1,143)</b>	<b>(1,237)</b>	<b>94</b>	<b>-8%</b>	<b>(2,918)</b>	<b>1,775</b>	<b>-61%</b>
Net financing costs	(439)	(449)	10	-2%	(440)	1	0%
<b>Net cost of operations after financing</b>	<b>(1,582)</b>	<b>(1,686)</b>	<b>104</b>	<b>-6%</b>	<b>(3,358)</b>	<b>1,776</b>	<b>-53%</b>
Capital renewals	(551)	(736)	185	-25%	(367)	(184)	50%
<b>Net cost of operations</b>	<b>(2,133)</b>	<b>(2,422)</b>	<b>289</b>	<b>-12%</b>	<b>(3,725)</b>	<b>1,592</b>	<b>-43%</b>
Extraordinary revenue grant	1,717	1,873	(156)	-8%	2,457	(740)	-30%
<b>Net cost of operations after extraordinary revenue grant</b>	<b>(416)</b>	<b>(549)</b>	<b>133</b>	<b>-24%</b>	<b>(1,268)</b>	<b>852</b>	<b>-67%</b>

# Operating costs

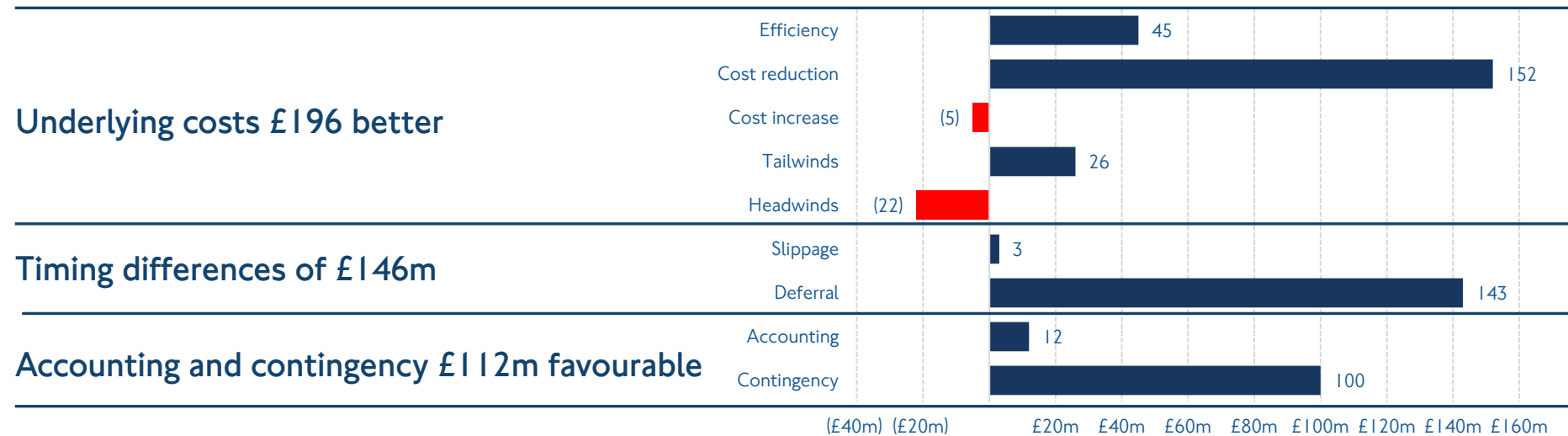
Total operating costs are £453m lower than Budget. Underlying costs are £196m better than expected, driven by new efficiencies (including staff cost savings), cost reductions from lower bus performance payments, lower LU traction costs, and lower maintenance costs in Rail.

Operating account contingency – held to mitigate the impacts of risks – was £100m lower than Budget across the year. This has partly mitigated the impacts from lower ULEZ income this year.

Operating costs: drivers of full year variances (£m)



Operating costs: types of full year variances (£m)



**Underlying costs £196 better**

**Timing differences of £146m**

**Accounting and contingency £112m favourable**

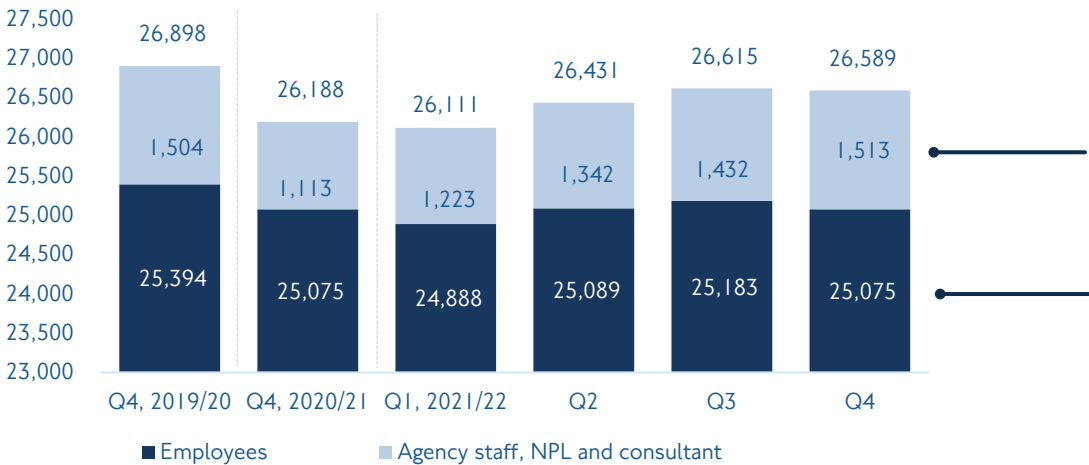
# Staff

TfL staff levels are just over 300 lower than pre-pandemic levels. We have increased staff levels this year by just over 400 FTE, following the introduction of Northern Line Extension operations, as well as ramping up preparations for Elizabeth line services.

Permanent employee numbers are exactly in line with the end of last year; agency and NPL staff have increased by just over 400 FTE, offering the organisation greater flexibility in the face of continued funding uncertainty.

The organisation is facing a high number of leavers (averaging around 160 employees per period), labour market challenges, and significant reward constraints.

Headcount trends since 2019/20



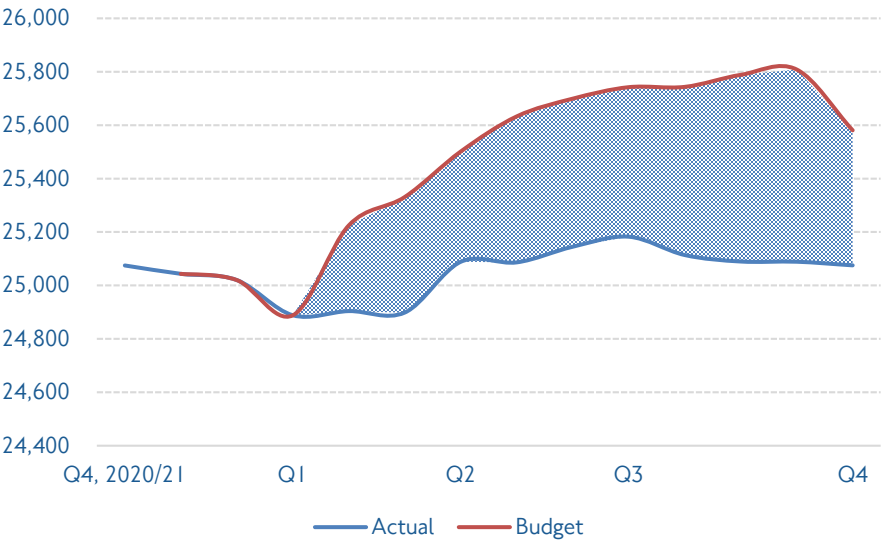
## Total staff over 300 lower than pre-pandemic levels

Agency, NPL and consultants broadly in line with pre-coronavirus levels; increases this year to provide greater organisational flexibility and to manage labour market challenges

Permanent employees down by over 300 since 2019/20 and in line with last year

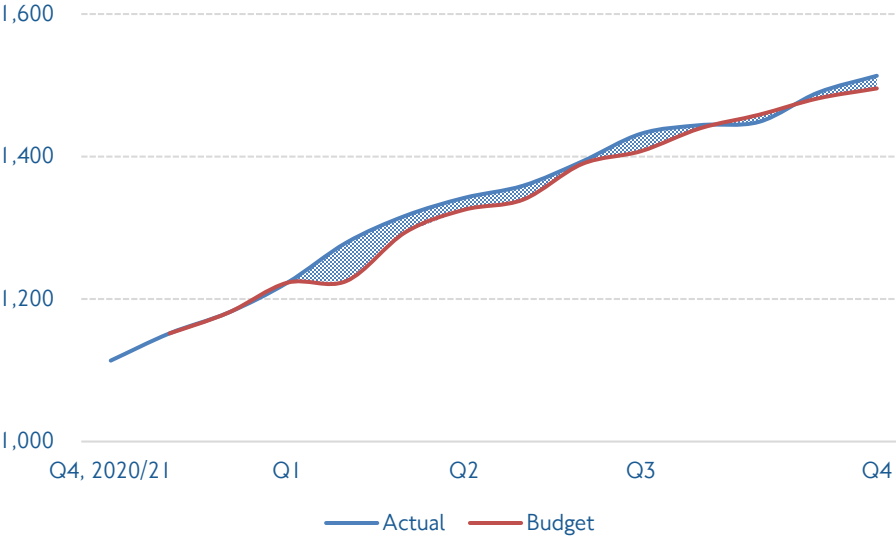
Permanent staff (FTE): actuals and Revised Budget

Permanent employees broadly in line with the end of 2020/21, but over 500 lower than Budget from recruitment delays, a competitive external market and leavers averaging 160 per period.



Agency and NPL staff (FTE): actuals and Revised Budget

Agency and NPL FTE up 400 since the end of 2020/21, and broadly in line with Budget. In context of economic and funding uncertainty, greater use of agency employees provides organisational flexibility.



# Capital account

Total TfL capital expenditure (excluding Crossrail construction) is (£1,368m) in the year, £366m lower than target.

Our capital programmes have been reallocated as a result of £500m lower government funding compared to the Budget assumption.

Funding uncertainty, coupled with the short-term and stop-start nature of the agreements, has not allowed us to plan sufficiently and enter multi-year commitments. Consequently, this has created a backlog of work, leading to additional resource and cost pressures for TfL.

Property and asset receipts are (£32m) lower than Budget, driven by later than expected Crossrail property disposals including Woolwich, Cardinal House, and other smaller sites.

£m	Q4 year to date, 2021/22				Q4 year to date, 2020/21		
	Actuals	Revised Budget	Variance to Revised Budget	% variance to Revised Budget	Last year	Variance to last year	% variance to last year
New capital investment	(818)	(999)	181	-18%	(866)	48	-6%
Crossrail	(568)	(700)	132	-19%	(704)	136	-19%
<b>Total capital expenditure</b>	<b>(1,386)</b>	<b>(1,699)</b>	<b>313</b>	<b>-18%</b>	<b>(1,570)</b>	<b>184</b>	<b>-12%</b>
Financed by:							
Investment grant	930	930	0	0%	910	20	2%
Property and asset receipts	161	193	(32)	-17%	63	98	157%
Borrowing	0	0	0	N/A	602	(602)	-100%
Crossrail borrowing	74	74	0	0%	676	(602)	-89%
Crossrail funding sources	565	663	(98)	-15%	72	493	689%
Other capital grants	85	90	(5)	-5%	127	(42)	-33%
<b>Total</b>	<b>1,815</b>	<b>1,950</b>	<b>(135)</b>	<b>-7%</b>	<b>2,450</b>	<b>(635)</b>	<b>-26%</b>
<b>Net capital account</b>	<b>429</b>	<b>251</b>	<b>178</b>	<b>71%</b>	<b>880</b>	<b>(451)</b>	<b>-51%</b>
Capital renewals	(551)	(736)	185	-25%	(367)	(184)	50%
New capital investment	(818)	(999)	181	-18%	(866)	48	-6%
<b>Total TfL capital expenditure</b>	<b>(1,368)</b>	<b>(1,735)</b>	<b>366</b>	<b>-21%</b>	<b>(1,233)</b>	<b>(136)</b>	<b>11%</b>



# Capital expenditure

Total capital expenditure is £366m lower than Budget, driven by slippage and deferrals as well as the release of capital contingency (£80m) held to mitigate high risk uncertainties.

The stop-start nature of the funding agreements alongside associated project approval and contractual delays are partly responsible for the underspend.

## Capital renewals and new capital investment (£m)

### Major projects

Northern Line Extension
Four Lines Modernisation
Major Stations
Railway Systems Enhancements
Piccadilly line trains
DLR Rolling Stock
Barking Riverside
Silvertown Tunnel
Deliverability overlay
Elizabeth line - infrastructure

### LU

Capital renewals
New capital investment

### Surface Transport

Healthy Streets
Surface - assets
Surface Tech
Public Transport
Air Quality and environment
Deliverability overlay

### Corporate programmes

Professional Services
Media

### Commercial Development

Estates and facilities
Property development

### Total TfL

Capital contingency

TfL incl. capital contingency

Actuals	Revised Budget	Q4 year to date, 2021/22	
		Variance to Revised Budget	% variance to Revised Budget
(550)	(598)	48	-8%
(53)	(56)	3	-6%
(132)	(137)	5	-4%
(74)	(79)	6	-7%
(5)	(7)	2	-27%
(153)	(157)	5	-3%
(93)	(99)	6	-6%
(29)	(31)	2	-6%
(12)	(13)	1	-10%
0	(18)	18	-100%
(17)	(15)	(2)	13%
(354)	(418)	64	-15%
(331)	(391)	61	-15%
(23)	(26)	3	-12%
(285)	(361)	76	-21%
(47)	(66)	20	-30%
(105)	(112)	7	-6%
(29)	(51)	22	-43%
(62)	(75)	13	-17%
(43)	(57)	13	-24%
1	-	1	N/A
(110)	(145)	35	-24%
(113)	(148)	35	-23%
3	3	1	25%
(52)	(117)	65	-55%
(1)	(4)	3	-67%
(51)	(113)	62	-55%
(1,368)	(1,655)	286	-17%
(0)	(80)	80	-100%
(1,368)	(1,735)	366	-21%

## Q4 year to date, 2020/21

Last year	Variance to last year	% variance to last year
(547)	(3)	1%
(114)	61	-54%
(104)	(28)	27%
(65)	(8)	13%
(11)	6	-54%
(100)	(52)	52%
(46)	(46)	101%
(49)	20	-41%
(57)	45	-79%
0	0	0%
(37)	20	-54%
(234)	(120)	51%
(203)	(128)	63%
(31)	8	-26%
(299)	14	-5%
(56)	10	-17%
(85)	(20)	24%
(17)	(12)	72%
(65)	3	-5%
(75)	32	-43%
-	1	N/A
(78)	(32)	41%
(89)	(24)	27%
12	(8)	-71%
(37)	(15)	40%
(1)	(0)	33%
(36)	(14)	40%
(1,232)	(136)	11%
0	(0)	-587%
(1,233)	(136)	11%

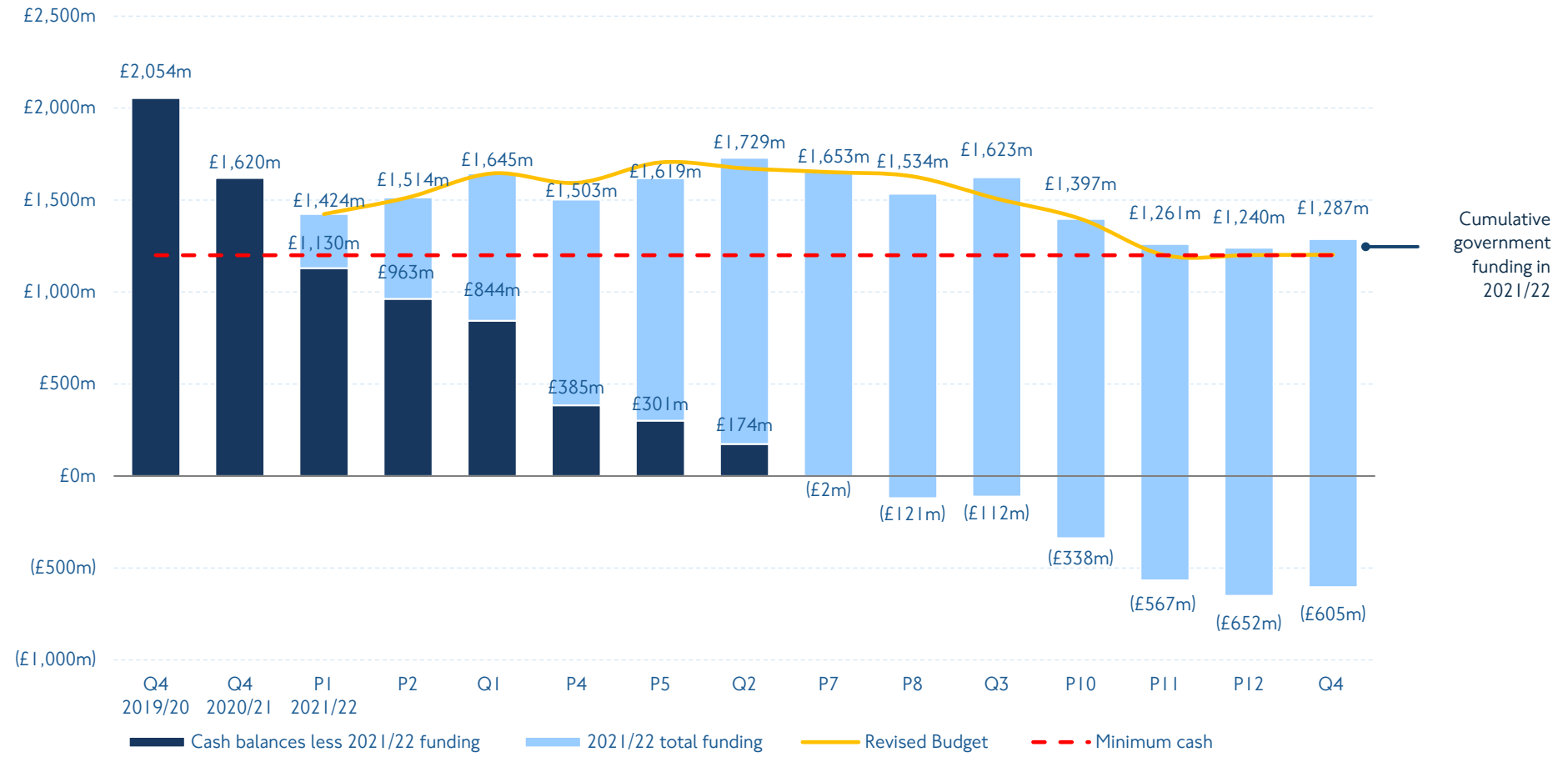
# Cash balances

Total cash balances are just under £1.3bn at the end of the year, £333m lower than at the start of the year.

Since the end of 2019/20, our cash balances have declined by almost £800m. It has been a condition of our funding agreements to run down our cash reserves to target an average of £1.2bn cash balance rather than this being an absolute minimum.

We are aiming to rebuild our cash balances over the coming years, which will depend on continuing growth in passenger demand as well as appropriate support from government.

	2020/21	2021/22 cash movement	Q4, 2021/22 closing cash	Q4, 2021/22: variance to Revised Budget
TfL closing cash balances	1,620	(333)	1,287	84



# Appendices: Divisional performance



# London Underground

Tube journeys are 65% of pre-pandemic levels; passenger income is £1,523m, (£374m) lower than Budget, driven by 138 million fewer passenger journeys. However, this is still more than double the value we saw last year. Income is almost £900m higher than last year.

Operating costs are (£1,999m) in full year and £112m lower than Budget. This is mainly driven by lower staff costs, lower volume-driven costs and direct coronavirus related spend. Costs are (£16m) higher than last year – this represents a like-for-like reduction, with this year seeing new costs for the Northern Line Extension and additional LU staff at stations which interface with Elizabeth line stations.

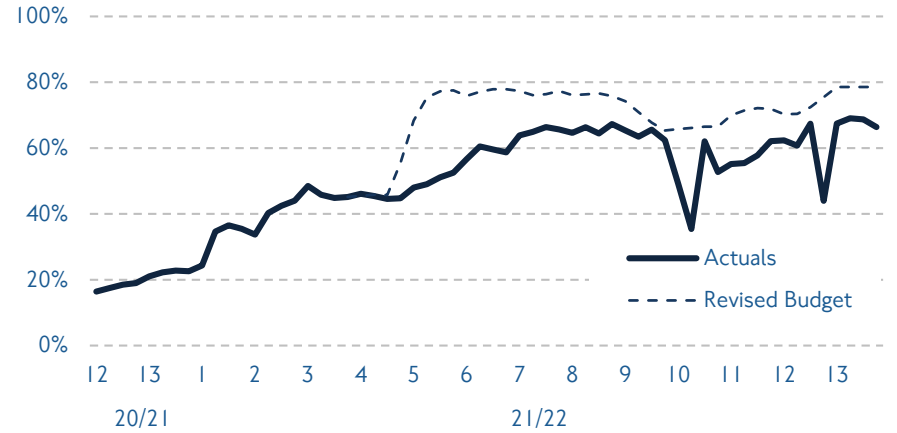


Operating account (£m)
Passenger income
Other operating income
<b>Total operating income</b>
Government furlough grant
<b>Total income</b>
Operating costs
<b>Net operating surplus</b>
Indirect costs
Net financing costs
Capital renewals
<b>Net cost of operations</b>

### New capital investment

Tube journeys compared to pre-pandemic baseline

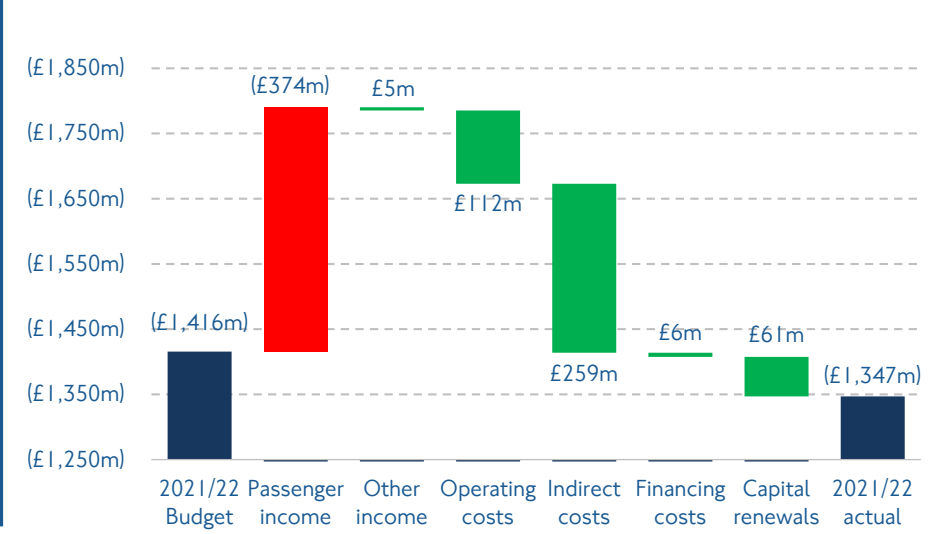
% vs Pre Covid Period / Budget		Journeys (millions)	Var to Budget
<b>65%</b>	<b>79%</b>	<b>748</b>	<b>(138)</b>



Actuals	Q4 year to date, 2021/22		
	Revised Budget	Variance to Revised Budget	% variance to Revised Budget
1,523	1,898	(374)	-20%
24	19	5	25%
<b>1,548</b>	<b>1,917</b>	<b>(370)</b>	<b>-19%</b>
0	0	0	N/A
<b>1,548</b>	<b>1,917</b>	<b>(370)</b>	<b>-19%</b>
(1,999)	(2,112)	112	-5%
<b>(452)</b>	<b>(194)</b>	<b>(257)</b>	<b>132%</b>
(286)	(545)	259	-48%
(279)	(285)	6	-2%
(331)	(391)	61	-15%
<b>(1,347)</b>	<b>(1,416)</b>	<b>69</b>	<b>-5%</b>
<b>(23)</b>	<b>(26)</b>	<b>3</b>	<b>-12%</b>

Q4 year to date, 2020/21		
Last year	Variance to last year	% variance to last year
650	874	135%
14	11	80%
<b>663</b>	<b>885</b>	<b>133%</b>
37	(37)	-100%
<b>700</b>	<b>847</b>	<b>121%</b>
(1,983)	(16)	1%
<b>(1,283)</b>	<b>831</b>	<b>-65%</b>
(296)	10	-3%
(280)	1	0%
(203)	(128)	63%
<b>(2,061)</b>	<b>714</b>	<b>-35%</b>
<b>(31)</b>	<b>8</b>	<b>-26%</b>

### Net cost of operations compared to Budget



# Elizabeth line

Elizabeth line journeys are 66% of pre-pandemic levels at year end. Passenger income is £93m, (£11m) lower than Budget driven by 6 million fewer passenger journeys. Income is £52m higher than 2020/21.

Operating costs are £40m lower than Budget, mainly driven by lower rolling stock maintenance costs and lower regulatory charges (the latter offset in other operating income).

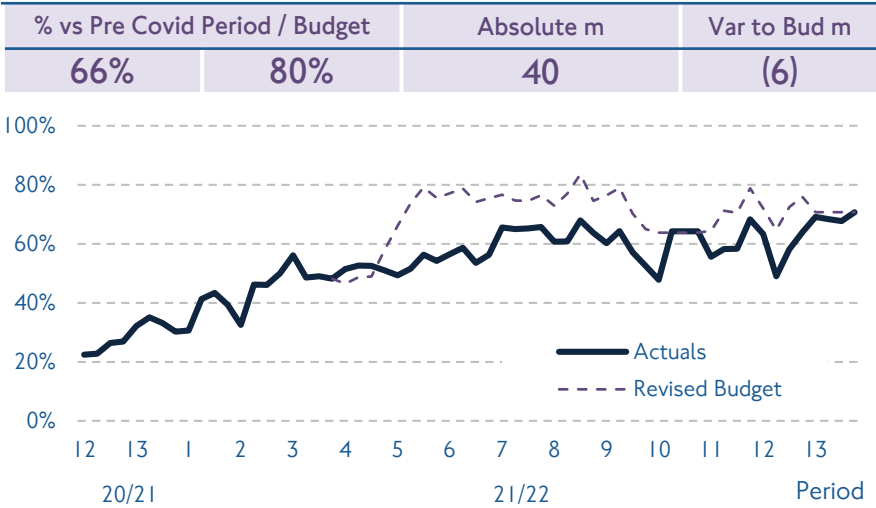
Journeys and income relate to TfL Rail services only. From 2022/23 these will include all Elizabeth line services following its opening on 24 May 2022.

Operating account (£m)
Passenger income
Other operating income
<b>Total operating income</b>
Operating costs
<b>Net operating surplus</b>
Indirect costs
Net financing costs
Capital renewals
<b>Net cost of operations</b>
New capital investment
Crossrail construction
<b>New capital investment</b>

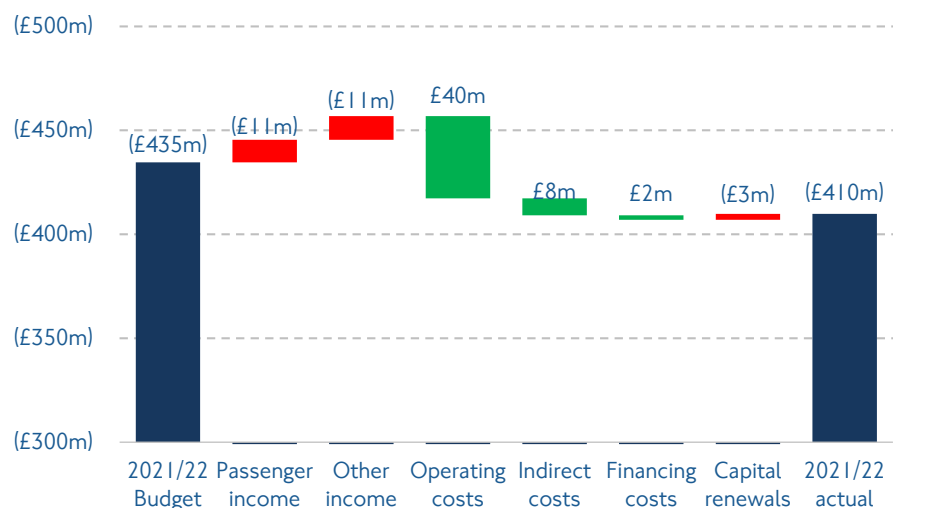
Actuals	Q4 year to date, 2021/22		
	Revised Budget	Variance to Revised Budget	% variance to Revised Budget
93	104	(11)	-10%
27	39	(11)	-29%
<b>120</b>	<b>142</b>	<b>(22)</b>	<b>-16%</b>
(422)	(462)	40	-9%
<b>(302)</b>	<b>(320)</b>	<b>17</b>	<b>-5%</b>
(8)	(16)	8	-51%
(93)	(96)	2	-2%
(6)	(3)	(3)	84%
<b>(410)</b>	<b>(435)</b>	<b>25</b>	<b>-6%</b>
(11)	(12)	1	-8%
(568)	(700)	132	-19%
<b>(579)</b>	<b>(712)</b>	<b>133</b>	<b>-19%</b>

Q4 year to date, 2020/21		
Last year	Variance to last year	% variance to last year
41	52	126%
8	20	260%
<b>49</b>	<b>71</b>	<b>147%</b>
(361)	(61)	17%
<b>(312)</b>	<b>10</b>	<b>-3%</b>
(7)	(1)	13%
(93)	(0)	0%
(0)	(6)	1282%
<b>(413)</b>	<b>3</b>	<b>-1%</b>
(37)	26	-71%
(704)	136	-19%
<b>(741)</b>	<b>162</b>	<b>-22%</b>

EL journeys compared to pre-pandemic baseline



Net cost of operations compared to Budget



# Buses, Streets & Other operations

Bus journeys are 70% of pre-pandemic levels at year end, but below target. Passenger income is £21m higher than Budget; while journeys are 37 million lower than Budget, improved yield has helped increase income.

Other operating income is £831m, (£75m) lower than Budget. Income has increased this year as a result of ULEZ expansion, but remains much lower than Budget as a result of higher than expected compliance levels. We have seen higher levels of income from Congestion Charge through improvements in ANPR detection.

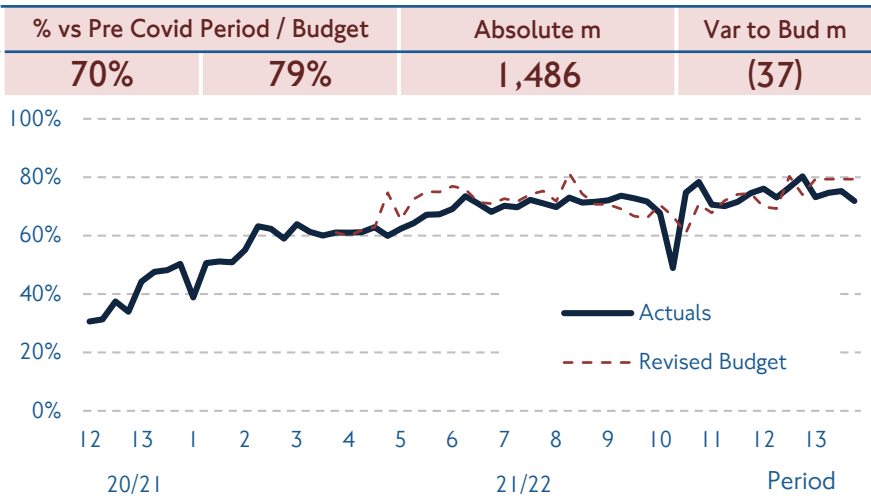
Operating account (£m)
Passenger income
Other operating income
<b>Total operating income</b>
Government furlough grant
<b>Total income</b>
Operating costs
<b>Net operating surplus</b>
Indirect costs
Net financing costs
Capital renewals
<b>Net cost of operations</b>

Actuals	Q4 year to date, 2021/22		
	Revised Budget	Variance to Revised Budget	% variance to Revised Budget
1,128	1,107	21	2%
831	906	(75)	-8%
<b>1,959</b>	<b>2,013</b>	<b>(54)</b>	<b>-3%</b>
0	0	0	N/A
<b>1,959</b>	<b>2,013</b>	<b>(54)</b>	<b>-3%</b>
(2,847)	(2,870)	23	-1%
<b>(888)</b>	<b>(857)</b>	<b>(31)</b>	<b>4%</b>
(83)	(138)	55	-40%
(27)	(27)	1	-2%
(125)	(140)	14	-10%
<b>(1,123)</b>	<b>(1,162)</b>	<b>39</b>	<b>-3%</b>
<b>(104)</b>	<b>(157)</b>	<b>53</b>	<b>-34%</b>

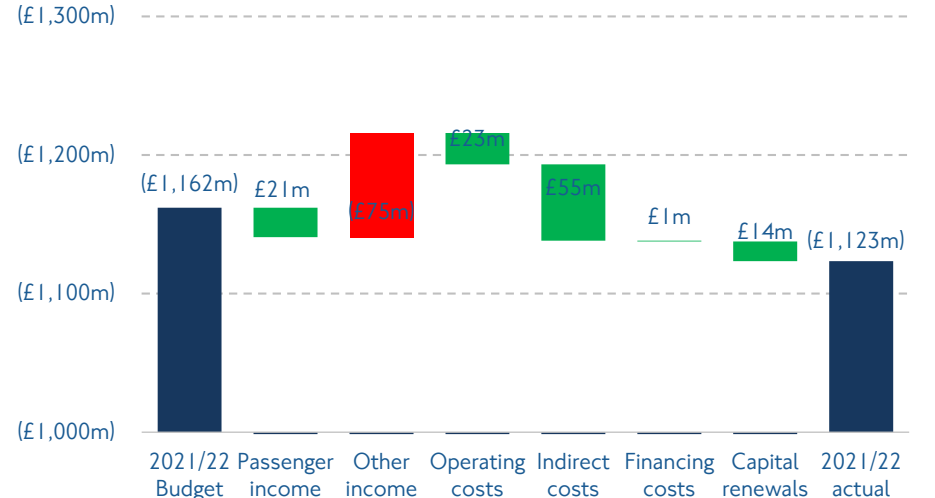
Last year	Q4 year to date, 2020/21	
	Variance to last year	% variance to last year
711	416	59%
514	317	62%
<b>1,226</b>	<b>733</b>	<b>60%</b>
9	(9)	-100%
<b>1,235</b>	<b>724</b>	<b>59%</b>
(2,810)	(37)	1%
<b>(1,575)</b>	<b>687</b>	<b>-44%</b>
(117)	34	-29%
(27)	0	0%
(100)	(25)	25%
<b>(1,820)</b>	<b>696</b>	<b>-38%</b>
<b>(141)</b>	<b>37</b>	<b>-26%</b>

<b>New capital investment</b>
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Bus journeys compared to pre-pandemic baseline



Net cost of operations compared to Budget



# Rail

Rail journeys – including London Overground, DLR and Trams – are 70% of pre-pandemic levels at year end. Passenger income is (£26m) lower than Budget, a result of 24 million fewer journeys.

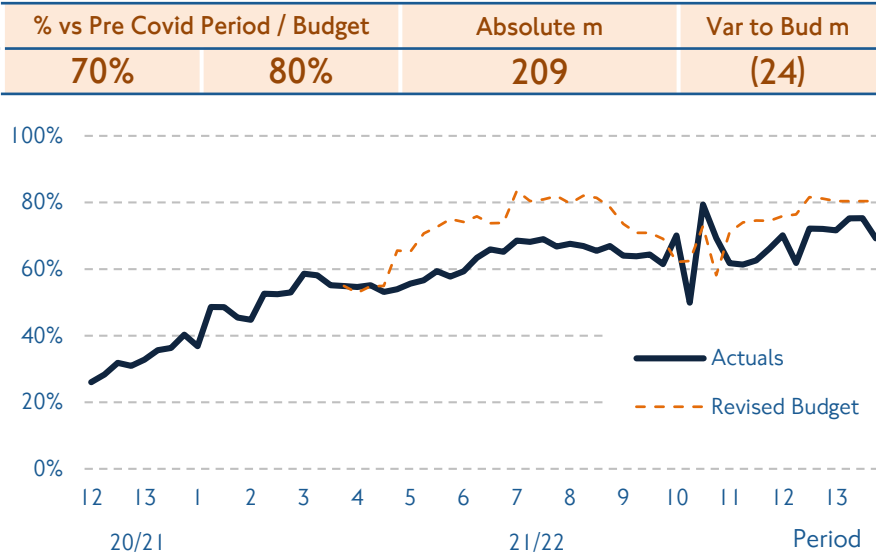
Operating costs are marginally down on Budget from penalties from the later delivery of new trains, and from phasing of maintenance.

Operating account (£m)
Passenger income
Other operating income
<b>Total operating income</b>
Operating costs
<b>Net operating surplus</b>
Indirect costs
Net financing costs
Capital renewals
<b>Net cost of operations</b>
<b>New capital investment</b>

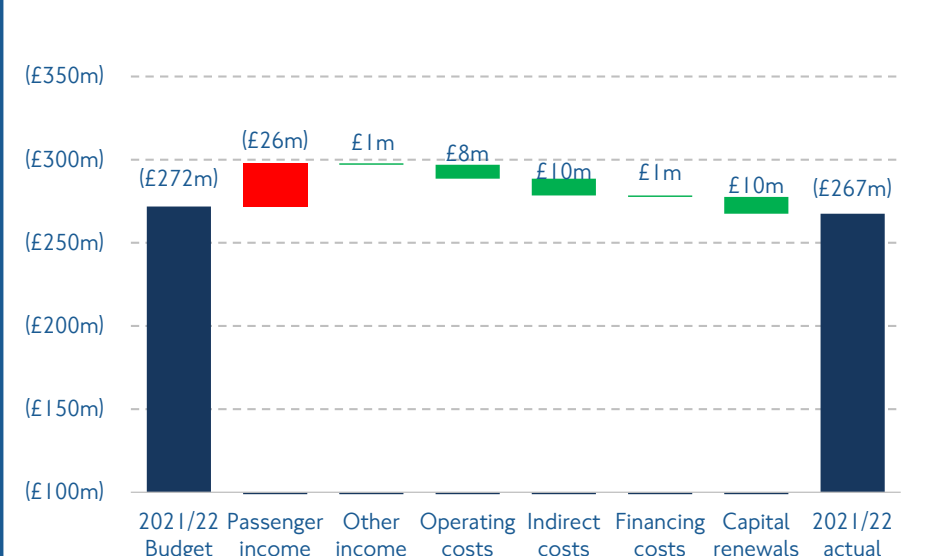
Actuals	Q4 year to date, 2021/22		
	Revised Budget	Variance to Revised Budget	% variance to Revised Budget
291	316	(26)	-8%
13	12	1	7%
<b>304</b>	<b>329</b>	<b>(25)</b>	<b>-8%</b>
(476)	(484)	8	-2%
<b>(172)</b>	<b>(156)</b>	<b>(17)</b>	<b>11%</b>
(14)	(24)	10	-42%
(40)	(41)	1	-2%
(41)	(52)	10	-20%
<b>(267)</b>	<b>(272)</b>	<b>4</b>	<b>-2%</b>
(14)	(13)	(1)	7%

Q4 year to date, 2020/21		
Last year	Variance to last year	% variance to last year
140	151	108%
6	7	105%
<b>146</b>	<b>158</b>	<b>108%</b>
(456)	(20)	4%
<b>(310)</b>	<b>138</b>	<b>-44%</b>
(19)	5	-28%
(40)	0	0%
(34)	(7)	20%
<b>(404)</b>	<b>136</b>	<b>-34%</b>
(25)	11	-43%

Rail journeys compared to pre-pandemic baseline



Net cost of operations compared to Budget



# Major Projects Directorate

Year to date capital spend is £48m lower than Budget, driven by cost savings and deferrals across the programmes.

Operating account (£m)	Q4 year to date, 2021/22				Q4 year to date, 2020/21		
	Actuals	Revised Budget	Variance to Revised Budget	% variance to Revised Budget	Last year	Variance to last year	% variance to last year
Other operating income	9	11	(2)	-17%	7	2	33%
<b>Total operating income</b>	<b>9</b>	<b>11</b>	<b>(2)</b>	<b>-17%</b>	<b>7</b>	<b>2</b>	<b>33%</b>
Government furlough grant	0	0	0	N/A	2	(2)	-100%
<b>Total income</b>	<b>9</b>	<b>11</b>	<b>(2)</b>	<b>-17%</b>	<b>9</b>	<b>(0)</b>	<b>-2%</b>
Operating costs	(17)	(20)	3	-16%	(37)	20	-55%
<b>Net operating surplus</b>	<b>(8)</b>	<b>(9)</b>	<b>1</b>	<b>-15%</b>	<b>(28)</b>	<b>20</b>	<b>-72%</b>
Indirect costs	(26)	(35)	10	-27%	(34)	9	-26%
Net financing costs	0	0	0	N/A	0	0	N/A
Capital renewals	(6)	(7)	1	-11%	(3)	(3)	105%
<b>Net cost of operations</b>	<b>(40)</b>	<b>(51)</b>	<b>12</b>	<b>-23%</b>	<b>(65)</b>	<b>25</b>	<b>-39%</b>
<b>New capital investment</b>	<b>(544)</b>	<b>(591)</b>	<b>47</b>	<b>-8%</b>	<b>(543)</b>	<b>(1)</b>	<b>0%</b>

### Four Lines Modernisation



The section of signalling, between Sloane Square, Paddington, Fulham Broadway and Barons Court (called Signalling Migration Area 5, SMA5) went live on 27 March 2022. This will enable a journey time timetable improvement (average 5 per cent quicker) to be implemented on Circle and District lines between Monument, Fulham Broadway, Barons Court and Paddington (Signalling Migration Areas 4 and 5) in September 2022.

Completion of SMA5 represented a major achievement for the programme as it involved upgrading the highly complex junction at Earl's Court and completed the implementation of Communication Based Train Control across the entire Circle line.

### Northern Line Extension



The Northern Line extension has operated successfully since opening in September 2021. Up to the 12 March 2022, circa 2.14 million trips have been recorded, with an average of 30,000 passengers per week at Nine Elms station and 60,000 passengers per week at Battersea Power Station.

Since the opening of the extension, we have focused on closing out snagging items, achieving commercial contract closure and progressing the completion of all the assurance documentation.

### DLR Rolling Stock



Dynamic testing (on track testing/running) of the new DLR rolling stock is proceeding to plan on the manufacturer's test track in Spain.

Work on the northern sidings at Beckton has undergone an intensive period of track work to support the lead up to the changeover to the new signalling control system. In advance of the works, the sidings affected by the changeover have now been physically disconnected from the depot.

We have completed the acquisition of the land at Beckton adjoining the current depot which is needed for the construction of the additional sidings funded by the Housing Infrastructure Fund.