

Date: 29 September 2022

Item: Finance and Risk Update

This paper will be considered in public

1 Summary

- 1.1 This paper provides an update on the financial performance at Period 5 2022/23 and on the risk management progress.
- 1.2 A paper is included on the Part 2 agenda which contains supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL and other parties. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.**

3 Elizabeth Line Operational Finance

- 3.1 In the year to date (YTD) to Period 5, passenger journeys for the Elizabeth line exceeded budget by 14m, due to the Central Section opening five weeks earlier than assumed, plus higher than expected passenger numbers across the whole line. Fares income was, therefore, £20m above budget as a consequence.
- 3.2 YTD, direct operating costs were £8m lower than budget, and the Net Operating Deficit for the Elizabeth line was £101m, £28m favourable to budget. Elizabeth line capital expenditure was £2m lower than budget for the YTD.
- 3.3 The Elizabeth line is on target to break-even in the year 2023/24.

4 Crossrail Programme Financial Performance

- 4.1 Expenditure in Period 5 was £18m and is £112m YTD. Period 5 expenditure was £6m below the Delivery Control Schedule 1.2 (DCS1.2) Budget and the Programme is £41m below the DCS1.2 Budget for the year to date.

- 4.2 On average the Programme has seen an underspend of £8m a period in this financial year.
- 4.3 The number of Crossrail full time equivalent staff is 363 (excluding any consultancy resource). This was 16 lower than forecast in the DCS1.2 Workforce Plan, driven by vacancies.

5 Anticipated Final Crossrail Direct Cost (AFCDC)

- 5.1 In Period 5, the P50 (50th percentile) AFCDC was reduced by £23m to £15,940m reflecting the realisation of opportunities and the lower risk profile for the remainder of the programme.

6 Funding

- 6.1 A separate paper providing an update on funding for the project is Item 12 on the agenda for this meeting.

7 Risk

- 7.1 There are six Level 1 Risks at Period 5. Level 1 risks summarise the significant risks that face the Elizabeth Line and residual Crossrail Programme. Review and update of Level 1 and working-level risks is a well-established part of senior management activity, with a substantive review of risks and interventions on a four-weekly basis.

List of appendices to this report:

Exempt supplemental information is contained in a paper on Part 2 of the agenda.

List of Background Papers:

None

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