

# Performance Metrics, Quarter 3, 2022/23

Appendix 1

TfL Audit and Assurance Committee

15 March 2023



# Forecasting accuracy

## Q3, 2022/23

In the year to date, we remain on track to deliver our new Revised Budget that sets us on the path to financial sustainability as set out in the 2023 Business Plan:

Revenue is in line with Revised Budget – journeys continue to recover, with latest journeys at 84% of pre-pandemic levels. Journeys and passenger income are slightly better than the Budget. Extraordinary revenue grant is lower than expected, which we expect to reverse over the next quarter

Our core operating costs remain close to Revised Budget. Operating costs are £23m lower than Revised Budget, mainly from timing of, and reduction in, maintenance costs, as well as some one-off upsides

Capital enhancement is within 1% of Revised Budget – due to slippage on third-party funded projects, largely because of factors outside our control

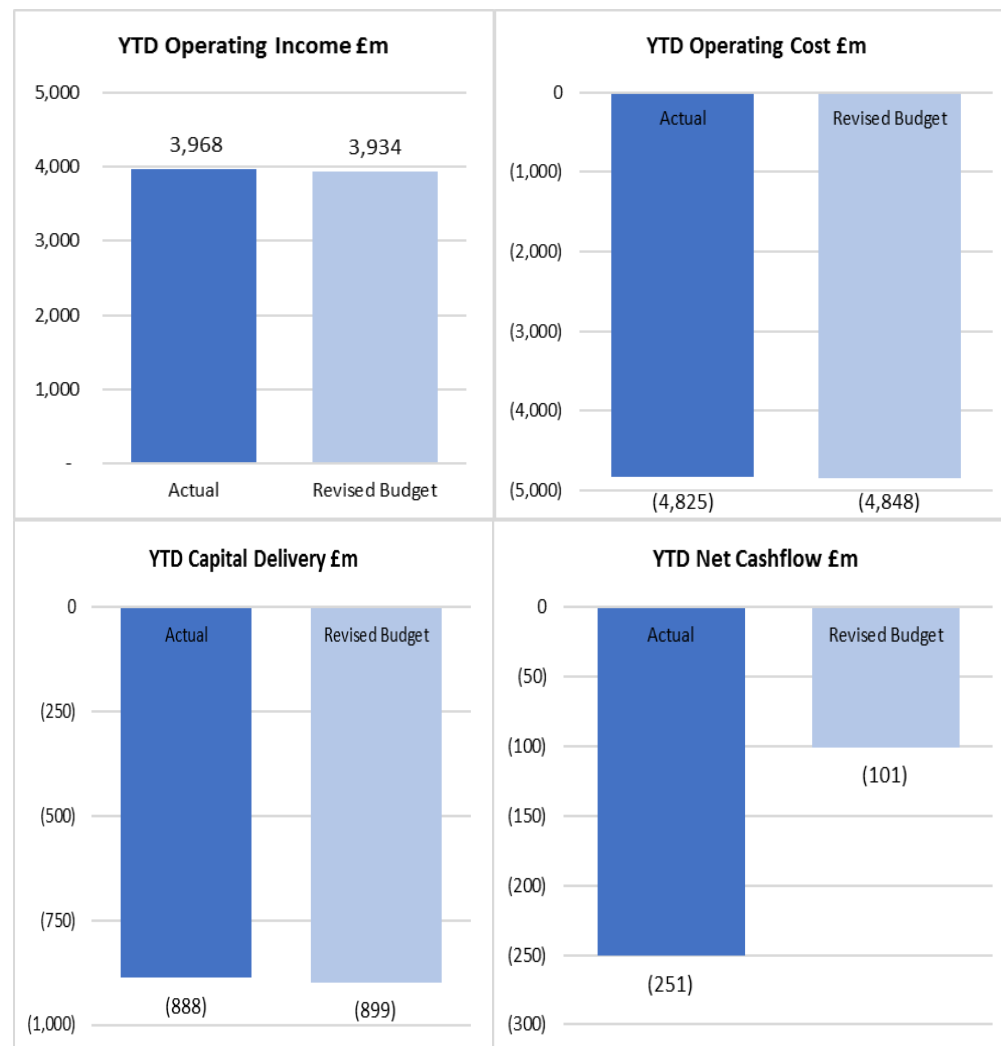
Capital renewals are 2% lower than Revised Budget – our Revised Budget included the ambition to deliver the higher level of renewals of £635m set by the funding settlement. We are actively managing our renewals programme to achieve this.

### Quarterly Forecasting Accuracy\*

£m	Q4 2022	Q1 2023	Q2 2023	Q3 2023
<b>Operating Income</b>	1,480	1,264	1,274	1,430
Variance to reported Budget	(194)	5	(4)	34
<b>Operating Cost</b>	(2,016)	(1,633)	(1,590)	(1,602)
Variance to reported Budget	(321)	18	51	23
<b>Capital Delivery**</b>	(522)	(293)	(283)	(312)
Variance to reported Budget	(49)	4	29	11
<b>Net Cashflow</b>	(336)	(39)	(187)	(25)
Variance to reported Budget	(31)	(77)	(94)	(150)

### YTD Forecasting Accuracy - Q3 2022/23

£m	YTD
<b>Operating Income</b>	
Actual	3,968
Revised Budget	3,934
<b>Operating Cost</b>	
Actual	(4,825)
Revised Budget	(4,848)
<b>Capital Delivery</b>	
Actual	(888)
Revised Budget	(899)
<b>Net Cashflow</b>	
Actual	(251)
Revised Budget	(101)



\* Reported Budget - 2021/22 Revised Budget for Q4 2022, the 2022/23 Budget for Q1 – Q2 2023 and the 2022/23 Revised Budget for Q3 2023

\*\* Total TfL capital expenditure excludes amounts relating to Crossrail and TTL Properties Limited

# Processing payments, Q3, 22/23

Open items indicate the extent to which the balance on your accounts are accurate, allowing for the actual reconciling items on the account to be revealed. Reconciling the accounts is a particularly important activity because it is an opportunity to check for fraudulent activity and to prevent financial statement errors.

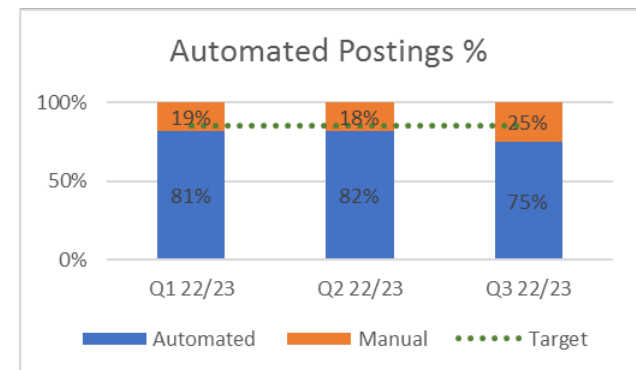
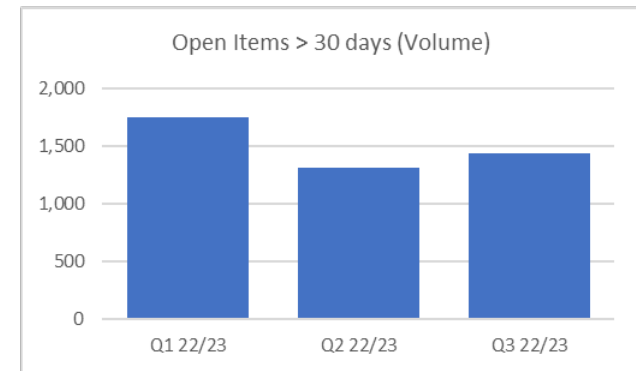
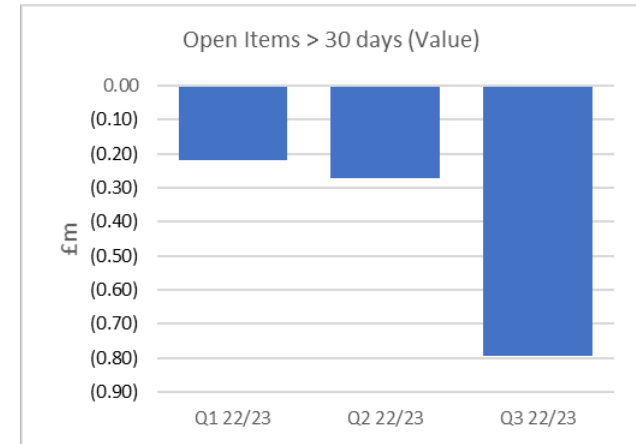
Value of open items > 30 days on the bank reconciliation sits at £790k for Q3. Overall, open items in Q3 with the items less than 30 days open stands at £5.97m a reduction of nearly £4.7m on Q2. The volume of open items in Q3 have remained largely equivalent to Q2.

Automated Postings % measures the proportion of transactions which are automatically reconciled in SAP (accounting software). Manually checking and matching transactions and preparing / posting journals is time consuming and increases the risk of error and inconsistency.

The volume of manual postings increased sizeably in Q3 to 25% due to the ticketing system in cc1011 for Eventbrite sales failing, resulting in an extra 1010 manual allocations. Until the tender of a new system is complete this activity will continue manually. This is a temporary measure which should be resolved by year end.

## Quarterly Figures

£m	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23
Open Items < 30 days (£m Value)	(31.03)	(15.53)	(10.66)	(5.97)
Open Items > 30 days (£m Value)	(0.24)	(0.22)	(0.27)	(0.79)
Open Items < 30 days (Volume)	1,227	2,182	1,575	1,494
Open Items > 30 days (Volume)	1,110	1,744	1,312	1,434
<b>Automated Postings %</b>				
Automated	12,690	10,785	10,747	12,143
Manual	2,499	2,004	1,970	3,033
Automated	80%	81%	82%	75%
Manual	20%	19%	18%	25%
Target	85%	85%	85%	85%



# Procurement activity

## Q3, 22/23

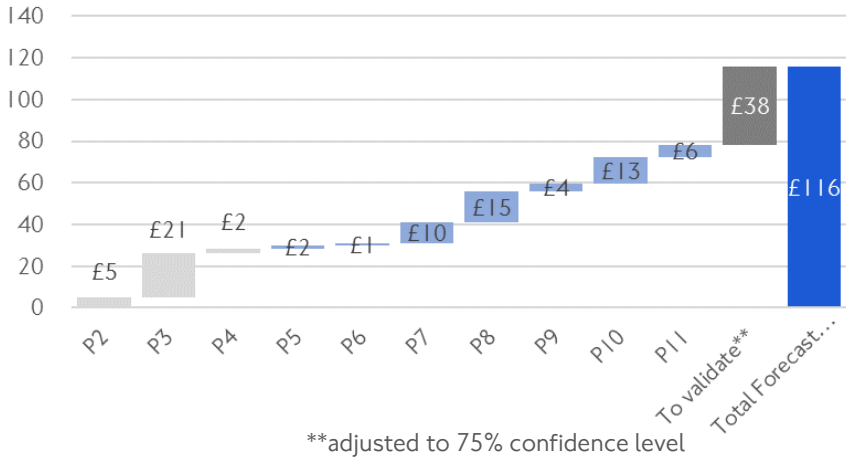
**Benefits delivery:**  
 Floor of £50m in benefits and target of £85m has been set for P&C for FY22/23. £78.3m of benefits have been validated with Finance to the end of P11.

**Retrospective spend:**  
 Highest value amount in Q3 was Metropolitan Police (£7.9m) and Cubic Transportation System Ltd (£5.8m)

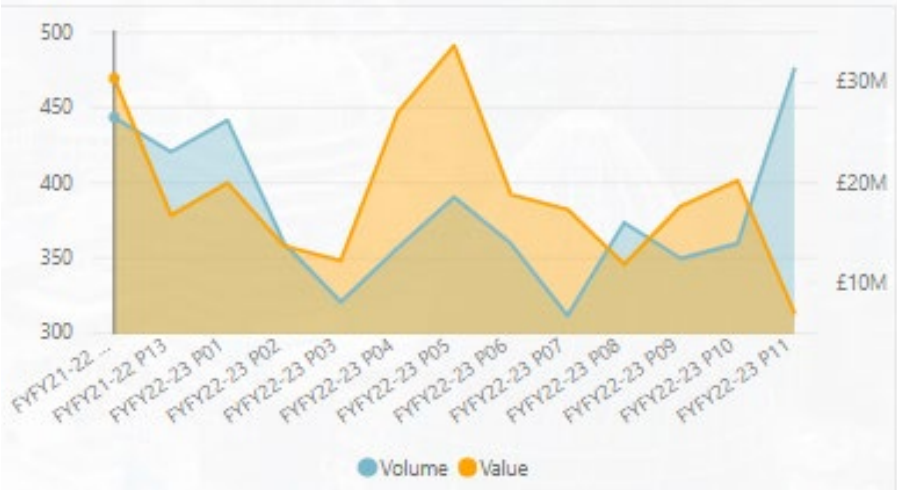
**Direct awards by value and volume:**  
 Highest value direct awards approved in Q3 were LTC-22-510 Material Supply Agreement (MSA) for the supply of materials to Stadler Fleet (Derogation - £1m) and 96TS Jubilee overhaul programme lift (JOHPL) – Alstom (single source £646k)

**Guided buying:**  
 Guided buying went live on 30/01. Almost 7000 requisitions have been raised to 21/02. This will enable us to track spend against contract once fully embedded.

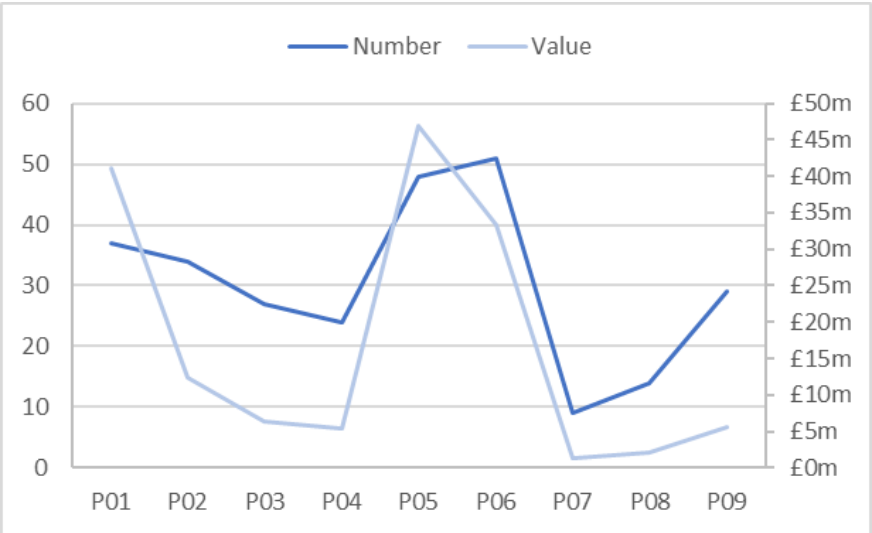
### Benefit delivery



### Retrospective spend



### Single sources and derogations



### Guided buying

