

Date: 18 May 2023

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 13 2022/23 and on 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 supplementary information on Part 2 of the agenda.**

3 Elizabeth Line Operational Finance

- 3.1 In the year to date (YTD) to Period 13, passenger journeys for the Elizabeth line exceeded Revised Budget by two million. This was due to higher than expected passenger numbers across the whole line following the start of through running. Fares income was £29m above Revised Budget as a consequence of the higher passenger numbers, plus a growth in yield (average fare per journey), which has increased as a result of through running.
- 3.2 YTD, direct operating costs were £9m lower than Revised Budget, and the Net Operating Deficit for the Elizabeth line was £38m favourable to Revised Budget. Elizabeth line capital expenditure was £4m lower than Revised Budget for the YTD.
- 3.3 The Elizabeth line is forecast to achieve operational break even in the year 2023/24.

4 Crossrail Programme Financial Performance

- 4.1 Spend in Period 13 was £6m, and £191m for the financial YTD. The period spend was £3m below the Delivery Control Schedule 1.2 (DCS1.2) Budget and the Programme is £63m below the DCS1.2 Budget for the year to date.
- 4.2 On average the Programme has seen an underspend of £5m a period in this financial year mainly driven by rephasing of contingencies and reduction in programme Anticipated Final Crossrail Direct Cost (AFCDC).
- 4.3 The number of Crossrail full time equivalent staff is 170 (note this excludes any consultancy resource and vacancies). This was 89 higher than had been forecast in the DCS1.2 Workforce Plan, driven by role extensions based on agreed Crossrail close out strategy.

5 Anticipated Final Crossrail Direct Cost (AFCDC)

- 5.1 In Period 13 the P50 (50th percentile) AFCDC was £15,903m, £28m lower than the reported value in Period 9, reflecting a reduction in risk exposure and the removal of the “Above Target Reserve” that had been held.

6 Funding

- 6.1 The total funding package for the programme remained unchanged at £15,887.5m. The last approved funding increase was granted in Period 7 for a total increase of £98.5m.
- 6.2 The total funding package is £15.5m below the P50 AFCDC. This remains well below the “up to £1.1bn” requirement.

7 Risk

- 7.1 There are nine Level 1 Risks at Period 13.
- 7.2 These 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.

List of appendices to this report:

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

List of Background Papers:

None

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