

**Date issued: 25 May 2023**

**Item: 2022/23 TfL Scorecard Assurance Review**

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## **This paper will be published after a decision is taken**

### **1 Purpose**

- 1.1 The TfL Scorecard is one of the key tools to ensure that the Business Plan is achieved. It focuses on the critical success factors for the year; keeping the organisation on track to deliver the plans and provides an objective method for measuring success.
- 1.2 The TfL Scorecard for 2022/23 was largely recovery focussed much like the one TfL had in the second half of 2021/22. The scorecard continued to focus on core safety and people priorities with an emphasis on controlling costs and preserving cash within the business.
- 1.3 On 12 June 2023, the Remuneration Committee will consider the outturn from the 2022/23 scorecards, when reviewing the performance of staff within its remit. The scorecard outturn forms part of the calculation of proposed performance awards for the Commissioner and other senior managers.
- 1.4 The outcome of the 2022/23 TfL Scorecard review conducted by Internal Audit is attached as Appendix 1. The Chair of the Committee, Mark Phillips, in consultation with available Members, is asked to provide any commentary on the outturns, which will be reported to the next meeting of the Remuneration Committee. The Chairs of the Committees will contact each other, ahead of the meeting of the Remuneration Committee, to ensure that there is no ambiguity in the views of the Audit and Assurance Committee. The Scorecard outturn will be reported to the Board as part of the Commissioner's Report.
- 1.5 The use of Chair's Action is considered appropriate as the Committee's agreement and any comments on the review are required before the next scheduled meeting of this Committee to inform the preparation of the papers to be submitted to the meeting of the Remuneration Committee on 12 June 2023 and be included in the publication of the Annual Report 2022/23.
- 1.6 The members of the Committee are asked to consider the paper and provide Mark Phillips with their views on or before 5pm on Tuesday 30 May 2023. The Chair will then exercise his authority and provide feedback to the Chair of the Remuneration Committee, Kay Carberry CBE.

1.7 The comments on the review will be reported to the meeting of Remuneration Committee on 12 June 2023. The contents of this paper and the exercise of Chair's Action will be reported to the next meeting of the Audit and Assurance Committee on 5 June 2023.

## **2 Recommendations**

**2.1 The Chair of the Audit and Assurance Committee, in consultation with available members of the Committee, is asked to:**

- (a) note the paper and sign off the end of year results against the 2022/23 TfL Scorecard; and**
- (b) provide feedback on the assurance report and any significant issues raised by the Committee to the Chair of the Remuneration Committee, ahead of the meeting of the Remuneration Committee on 12 June 2023.**

### **List of appendices to this report:**

Appendix 1 – Internal Audit report on 2022/23 TfL Scorecard Review

### **List of Background Papers:**

None

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**To:** Patrick Doig, acting Chief Finance Officer

**Cc:** Pritesh Patel, acting Director of Group Finance  
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Howard Carter, General Counsel  
Fiona Brunskill, Interim Chief People Officer  
Lorraine Humphrey, Director of Risk and Assurance  
Charlotte Wang, Reward and Recognition Specialist  
Mark Phillips, Chair TfL Audit and Assurance Committee  
Anurag Gupta, Vice Chair, TfL Audit and Assurance Committee  
Kay Carberry CBE, Member, TfL Audit and Assurance Committee  
Dr Mee Ling Ng OBE, Member, TfL Audit and Assurance Committee

**From:** Jill Elliott  
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**Phone:** 07521 098802

**Date:** 25 May 2023

**Ref:** IA 23 001

## **2022/23 TfL Scorecard Review**

### **Introduction and background**

The Mayor's vision for the capital is that it should be home to more people as well as a better place to live. His Transport Strategy seeks to transform London's streets, improve public transport, and create opportunities for new homes and jobs, over the next two decades.

The TfL Scorecard reports on business performance against targets relating to objectives and measures derived from the Mayor's Transport Strategy (MTS), the TfL Business Plan and the Budget. It is a key tool for ensuring that these objectives

are achieved and is agreed in collaboration with the Executive Committee (ExCo), Board and Deputy Mayor.

Each scorecard measure is weighted to determine its contribution to the overall score. Financial Planning and Analysis (FP&A) updates the scorecard each period, using performance information provided by the relevant business areas.

Scorecard targets that have been missed due to exceptional circumstances can be adjusted for remuneration purposes. These mitigations are reviewed by the FP&A team and, if accepted, submitted to the Chief Finance Officer and the Commissioner for approval.

### **Objective**

To provide assurance that 2022/23 year-end results on the TfL Scorecard are being accurately reported.

### **Scope**

The 2022/23 TfL Scorecard has 18 measures covering five themes - Finance, Green, Colleague, Customer and Foundation. We tested nine of the performance measures from the scorecard which entailed the following:

- Tracing performance measures to TfL electronic source data in order to determine their arithmetical accuracy
- Determining the reasonableness of any uplifts and estimates used in calculating the metrics
- Ensuring there is management oversight of figures submitted
- Reviewing the adequacy of all mitigations proposed and approved

The following areas were excluded from the scope of the audit:

- Checking the validity and accuracy of the electronic source data
- Checking the coding of models, macros and reports used to generate data or extract data from systems

In selecting performance measures for review we focused on metrics which, at the end of period 11, were forecast to either meet or partially meet the year-end target, and then randomly selected a sample from them. The measures selected were:

- CO2 emissions
- Inclusion Index
- Workforce all injuries
- Cash Balance
- Operational Expenditure vs Budget
- Customer Injuries
- Investment Programme Milestone Delivery
- Elizabeth Line: Open the central section for revenue service
- Percentage LU Services operated against schedule

## Summary of Observations and Findings

Of the nine measures reviewed five met or exceeded their annual targets, Inclusion Index and Wellbeing Index met the floor target, Investment Programme Milestone Delivery and Workforce Injuries were partially met.

Four mitigations were proposed 2022/23 TfL Scorecard results and these have now been reviewed and approved by the Group Finance Director and the TfL Commissioner.

1. The scoring process awards 100 per cent where measures achieve or exceed the target. Where the metric meets the floor target a score of 0 per cent is applied. As such there is no incentive to achieve the floor target. TfL has approved a sliding scale for the 2023/24 Scorecard to ensure there is an incentive to achieve this as a minimum. The Wellbeing Index and the Inclusion index both met the floor target this year and 2023/24 methodology has been applied retrospectively. Approval of this mitigation results in a weighting of 0.25 per cent for Inclusion and a 0.5 per cent for Wellbeing.
2. Achievement of the Cycle Hire Modernisation was delayed by 24 days due to the impact of Operation London Bridge. As a result it was not completed on 12 September 2022. Approval of this mitigation increases the weighting of the Investment Programme Milestone Delivery from 0.9 per cent to 1.3 per cent.
3. The final mitigation was applied to Bus Journey Times. The original result included the impact from industrial action in LU. This is inconsistent with other service related metrics, which exclude the impacts of industrial action. The approval of this mitigation increases the weighting from 0.2 per cent to 1.0 per cent.

The original Scorecard result of 62.1 per cent exceeds the overall target of 60 per cent. The approval of the mitigations has increased this to 64 per cent. In our opinion the mitigations are reasonable.

The results of our testing of the nine sampled measures are shown in Appendix 1. In all cases we are satisfied that the outcomes have been accurately reported.

## Conclusion

Based on the audit work performed on a sample of measures, the 2022/23 TfL Scorecard results are accurately reported and are a fair reflection of the organisation's performance during the year.

Please do not hesitate to contact Mushtaq Ali, Senior Internal Audit Manager, or me if you would like to discuss this further.

Kind regards

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**Head of Internal Audit**  
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	Theme	Objective	Measure	Measure weighting	Target (Floor Target)	Data source	2021/22 Final Result	2022/23 Final Result	Any uplifts Or [Estimates used]	Senior Management Oversight	Observation /issue	Did the Scorecard result agree to system reports / TfL spreadsheets
1	Green	Reduce emissions in London, protect and improve the environment [Net Zero by 2030]	CO2 emissions Kilo Tonnes	5%	845 (900)	Internal: Energy and Fuel used by TfL  External: Bus mileage and emission data CO2 conversion factors (UK Government)	832	814	No / [No]	No  (There will be oversight from 2023-24 as work is planned to be delegated)	The location of some of the oldest electricity meters is unknown, thus TfL pays for the energy on an estimated basis.  However, the number of meters and the value of the charges is not material and the same applies to the Scorecard results.	Satisfactory
2	Colleague	TfL is an inclusive place to work where everyone feels included in what the	Inclusion Index % points	2.5%	52% (50%)	External: Part of Annual Viewpoint survey through Engine Transformation (3rd Party)	51%	50%	No / [No]	Yes  (Scorecard updated after senior TfL management review).	<b>Observation:</b> This metric is an Index, based on six questions focussed on management behaviours.  The Viewpoint	Satisfactory

		company does.									survey results for the Index have been falling for the last three years (52% to 50%) and the metric target, set by senior management, has been reducing for the last two years (to 54% and now 50%).  TfL continues to introduce initiatives, based on the analysis of survey results, to mitigate a decline in the score.	
3	Colleague	Keeping the workforce safe on our public transport network.	Workforce all injuries  Number #	5%	1348 (1987)	Internal: IR IS (Instant Reporting System – for outsourced services)  IE 2 (Information Exchange 2 - TfL)	1397	1550	No / [No]	Yes  (Business Partners check the numbers - Marian Kelly Head of S HE TfL Operations)	Elizabeth Line workforce injury data is not currently Included in this metric, as it is a new service and there is little historic data to set targets.  The measure will change in 2023/24 to KSI (Killed or Seriously Injured) and minor injuries will be reported on the TfL Operations and Capital	Satisfactory

TfL Scorecard (IA 23 001)

											Scorecards.	
4	Finance	Maintaining cash balances We cover our costs and are prudent	Cash Balance  £B	10%	£1.2 (£1.2)	Internal: SAP R3	£1.287B	£1.237B	No / [No]	Yes  (Cash balance reviewed by Senior Analysis Manager and shared with Divisional Finance Team and Exco)	The target cash balance is the minimum required to cover TfL's total costs for 2 months in the event of a financial shock.	Satisfactory
5	Finance	TfL is financially sustainable	Opex. vs Budget  £B	7.5%	£7.109 (£7.109)	Internal: SAP R3	£6.478B	£7.055B	No / [No]	Yes  (Opex v Budget is reviewed by Senior Analysis Manager and shared with Divisional Finance Team and Exco)	The Operational expenditure target was revised downwards (from £7.472B) by the Board in December 2022 to reflect the funding agreement with the Government as well as rising cost pressures.	Satisfactory
6	Customer	London's transport system will be safe and secure	Customer Injuries  per million passenger journeys)	5%	2.58 (2.72)	Internal: IRIS (Instant Reporting System – for outsourced services) IE 2 (Information Exchange 2 -	2.77	2.48	No / [No]	Yes  (Business Partners check the numbers - Marian Kelly Head of SHE TfL Operations)	Minor differences found both for customer injuries (0.25%) and passenger journeys (0.03%)  The measure will change in 2023/24	Satisfactory



TfL Scorecard (IA 23 001)

						TfL) Excel MTR / EL will be using IE2					to KSI and minor injuries will be reported on the TfL Ops and Capital Scorecards	
7	Foundation	A good public transport experience	Investment Programme Milestone Delivery  % Point	5%	90% (75%)	Internal: Excel (Teams – shared document)	80.6%	77.8	No / [No]	No.  However, each Project Director is accountable for reporting accurately the performance of their project.  Also there's a short window (3 days) for consolidating project performance data ahead of the Capital Directors meeting.	The Milestone Delivery % score is an overall average for all the projects in the investment programme.  Each strategic milestone date has an additional time- risk allowance of 90 days.  The milestone % score is the number of days saved from the 90-day time-risk allowance as a percentage.	Satisfactory
8	Foundation	A good public transport experience	Elizabeth Line: Open the central section for revenue service  MM/YY	2.5%	June '22 (June '22)	Documents were requested during the audit but not provided.	New	May '22	No / [No]	Yes		Satisfactory

9	Foundation	A good public transport experience	% LU Services operated against schedule  % point	5%	90% (88.5%)	Internal: iCart (planned tube trips - record of LU planned timetable) NetMIS (actual tube journeys from signalling computers in the network)	88.5%	90.1	No / [No]	Yes  (Dashboard shared with the COO and other Asset Performance Directors before submission to the TfL scorecard)	The set Target of 90% for this measure was designed to provide a degree of stretch against last year's actual performance, an increase of 1.5%.  The aspirational target was underpinned by the assumptions of improving the rate of staff absences as well as asset performance.	Satisfactory