

Date: 25 July 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 3 2023/24 (1 April 2023 to 24 June 2023) 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 financial year to date (YTD) to Period 3, passenger journeys for the Elizabeth line were one million lower than budget. Fares income was £12m above budget due to an adjustment relating to 2022/23, plus a growth in yield (average fare per journey).
- 3.2 YTD, direct operating costs were £1m lower than budget, and the Net Operating Contribution for the Elizabeth line was £13m favourable to budget. Elizabeth line capital expenditure was £2m lower than budget for the YTD.
- 3.3 The Elizabeth line is forecast to achieve operational breakeven in the year 2023/24.

4 Crossrail Programme Financial Performance

- 4.1 Spend in Period 3 (28 May 2023 to 24 June 2023) was £7m, and £18m for the financial YTD. The period spend was £6m above the Delivery Control Schedule 1.2 (DCS1.2) budget and the Programme is £11m above the DCS1.2 budget for the year to date.

- 4.2 On average the Programme has seen an overspend of £4m a period in this financial year. At the time the DCS1.2 budget was set, the majority of work was expected to have been completed by now. However additional scope, rephasing of work and changes to transition plans have meant that some work is ongoing.
- 4.3 The number of Crossrail full time equivalent staff is 79 (this excludes any consultancy resource and vacancies). This was 79 higher than had been forecast in the DCS1.2 Workforce Plan, which assumed that there would be no staff remaining at this point in time.

5 Anticipated Final Crossrail Direct Cost (AFCDC)

- 5.1 In Period 3 the P50 (50th percentile) AFCDC was £15,903m, unchanged from that reported in Period 13.

6 Funding

- 6.1 The total funding package for the programme remained unchanged at £15,887.5m.
- 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 seven Level 1 Risks at Period 3.
- 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 supplemental information is contained in a paper on Part 2 of the agenda.

List of Background Papers:

None

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