

Date issued: 19 April 2024

Item: 2023/24 TfL Scorecard Assurance Review

This paper will be published with the next agenda.

1 Purpose

- 1.1 To provide assurance to the Remuneration Committee on the accuracy of the results of the 2023/24 TfL Scorecard, ahead of any decisions being taken on performance awards for 2023/24.

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 endorse the sign off the end of year results against the 2023/24 TfL Scorecard; and**
 - (b) **provide feedback on the internal audit report and any significant issues raised by the Committee to the Chair of the Remuneration Committee, ahead of any decisions being taken on performance awards for 2023/24.**

3 Background

- 3.1 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.
- 3.2 The TfL Scorecard for 2023/24 was focussed on making progress towards our 2030 strategic outcomes and delivering against the Mayors Transport Strategy. The scorecard continued to focus on core safety and people priorities, including for the first time a real push towards creating a more diverse workforce which better represents the city TfL serves, whilst continuing the emphasis on controlling costs.
- 3.3 Overall performance across the scorecard was strong. However, there was one target not met, relating to colleague safety. While overall the number of colleague serious/fatal injuries was within the standard target range, the metric was scored as 'failed', due to one sub-contractor colleague sadly dying in a road collision while at work. We apply a 'fatality trigger' to this metric, meaning that any fatal injury to a colleague requires the metric to be missed, as in this year's performance.

4 Scorecard finalisation process

- 4.1 On 29 February 2024, the Remuneration Committee considered a paper on Performance Awards 2023/24 and discussed the performance of the Commissioner, Chief Officers and Directors specified under its terms of reference. No decisions could be taken at that time as the end-year TfL and divisional scorecards outturns form a key part of the calculation of any proposed performance awards for the Commissioner and other senior managers. The Remuneration Committee considered performance reviews of the individuals within its remit and authorised its Chair, Kay Carberry CBE, following consultation with available Remuneration Committee Members, to approve performance awards for 2023/24, subject to the final validated 2023/24 TfL and divisional scorecards outturn. Members of the Remuneration Committee are due to consider the outturn of the TfL and divisional scorecards on 29 April 2024, ahead of its Chair taking any decisions on the proposed performance awards.
- 4.2 To provide the Remuneration Committee with assurance on the accuracy of the scorecard results, they have been subject to a review by Internal Audit. The outcome of the 2023/24 TfL Scorecard internal audit review is attached at Appendix 1.
- 4.3 The Chair of the Committee, Mark Phillips, in consultation with available Members, is asked to provide any commentary on the outturns. The Chairs of this Committee and the Remuneration Committee will contact each other, ahead of the planned discussion by the Remuneration Committee on 29 April 2024, to ensure that there is no ambiguity in the views of this Committee. The Scorecard outturn will be reported to the Board as part of the Commissioner's Report.
- 4.4 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 Chair of the Remuneration Committee for discussion on 29 April 2024.
- 4.5 The Members of the Committee are asked to consider the paper and provide Mark Phillips with their views on or before 5pm on Tuesday 23 April 2024. The Chair will then exercise his authority and provide feedback to the Chair of the Remuneration Committee.
- 4.6 The comments on the review will be reported to the meeting of Remuneration Committee on 13 June 2024. 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 2024.

List of appendices to this report:

Appendix 1: Internal Audit report on 2023/24 TfL Scorecard Review

List of Background Papers:

None

Contact Officer: Andrea Clarke, Interim General Counsel
Email: andreaclarke@tfl.gov.uk



To: Patrick Doig, Group Finance Director

Cc: Kirsty Baker, Interim Head of Financial Planning and Analysis
Austin Benjamin, Senior Analysis Manager Operational Performance
Alex Harper, Finance Analyst
Rachel McLean, Chief Finance Officer
Charlotte Wang, Head of Reward and Recognition
Dhillon Patel, Reward and Recognition Specialist
Stephen Field, Director of Pensions & Reward
Colin Turner, Employee Payments Delivery Lead
Amanda Hopkins, Head of Business Strategy
Justine Curry, Interim Director of TfL Legal
Andrea Clarke, Interim General Counsel
Lorraine Humphrey, Director of Risk and Assurance
Patrice Locker, Interim Head of Enterprise Risk
Richard Mullings, Head of Counter-Fraud and Corruption

From: Jill Elliott
Head of Internal Audit

Phone: 07521 098802

Date: 19 April 2024

Ref: IA 24 020

2023/24 TFL SCORECARD – END OF YEAR REVIEW

Introduction and background

The Mayor's Transport Strategy (MTS) sets out the Mayor of London's plan to create a fairer, greener, healthier, and more prosperous city, with transport as a cornerstone of this vision. TfL has set its strategic objectives to help turn the MTS from an ambitious plan on paper into London's reality.

The TfL Scorecard is an important tool for tracking in-year progress against TfL-wide strategic objectives and incentivising our senior managers to make strategically aligned decisions. The 2023/24 TfL Scorecard has been developed to align with TfL's Vision and Values and the Mayor's Transport Strategy (MTS), ensuring our focus for the next year moves the organisation towards our long-term ambitions.

The 2023/24 TfL Scorecard is based on five key themes; Safety and Security, Colleague, Customer, Green, and Finance, which are aligned to the TfL strategy, and assumptions in TfL's proposed Budget and the Business Plan.

A revised set of weightings for each of the individual measures covering all the five key strategy themes have also been introduced to ensure that all objectives are appropriately prioritised.

The Financial Planning and Analysis (FP&A) team updates the scorecard each period, using performance information provided by the relevant business areas.

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

This review built on our findings from the interim audit of the 2023/24 TfL Scorecard (IA 23 048), where we established that there are adequate controls in place over the collection and processing of data for purposes of calculating and reporting on the measures of the 2023/24 TfL Scorecard. This includes adequate local business unit procedures and central co-ordination.

Objective

The objective of the review was to provide assurance on the accuracy of the 2023/24 year-end results reported on the TfL Scorecard.

Scope

The interim audit was based on a sample of 12 of the 17 measures included within the 2023/24 TfL Scorecard. The sample covered all the five key themes aligned to the TfL strategy. We tested the accuracy of the same 12 measures selected during our interim audit. Our work entailed the following:

- Tracing performance measures to TfL electronic source data to determine their arithmetical accuracy
- Determining the reasonableness of any uplifts and estimates used in calculating the metrics
- 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 or extract data from systems

The measures selected for review were:

- Colleague: Killed or seriously injured (KSI) - Safety & Security
- Roads: Killed or seriously injured (KSI) - Safety & Security
- Customer: Killed or seriously injured (KSI) - Safety & Security
- Senior leadership representation (SLR) – Colleague
- Customer journey time (JTM): London Underground (LU) – Customer
- Customer journey time (JTM): Buses – Customer
- Customer journey time (JTM): Rail- Customer

- Investment programme milestone delivery – Customer
- CO2 emissions from TfL operations & buildings (ketones CO2e) – Green
- Total income vs budget (excluding extraordinary revenue grant) – Finance
- Operating surplus or deficit vs budget – Finance
- Capex vs budget (excluding Crossrail & Places for London) – Finance

Audit Approach

For the sample selected, the accuracy of the measures reported at Period II were verified. This was done by ensuring that the amounts reported were in line with agreed methodologies and using relevant source data.

The annual forecasts at Period II were also tested for their reasonableness to help assess the likelihood of any annual performance targets being missed, and these being subject to any potential uplifts or mitigations at year-end.

The Period I3 outcomes were then compared to the Period II results and year-end forecasts to identify any positive changes in measures reported. These were subjected to further accuracy and completeness tests.

Summary of Observations and Findings

Summary of year-end 2023/24 TfL Scorecard measures

Of the 12 measures reviewed, five met or exceeded their annual targets, six met the floor target and one was marked as failed. These are all detailed in Appendix I.

Colleague Killed or Seriously Injured (KSI)

It was agreed prior to the start of 2023/24 that in the event of a colleague's death at work, a 'fatality trigger' would be applied. Whilst the Colleague KSI measure for 2023/24 met the set target sadly a colleague was killed at work. As a result, the Executive Committee (ExCo) agreed that the metric would be marked down as a performance failure.

The Customer Journey Time Measure (JTM)

The Customer JTM is split between three modes of transport: Buses, London Underground (LU), and Rail (consisting of London Overground (LO), Elizabeth Line, Docklands Light Railway (DLR) and London Trams). Individual targets have been set for each of the three modes. We reviewed all three modes of transport and established that the JTM is calculated using the same methodology and principles, however the Rail JTM is calculated using the forecasted demand rather than actual demand which is used by both Buses and LU.

We recalculated the Rail JTM for Period II using the actual demand as 25.8 minutes (the reported JTM based on the forecast demand was 25.7 minutes), which evidenced that the target would still have been achieved if the actual demand data was used. Whilst there is no significant impact on the Rail JTM the approach is inconsistent with the other modes.

Recommendation 1: Calculation of the Rail JTM should use the actual demand to ensure consistency with the Buses and LU JTM.

Mitigations

One mitigation has been proposed for review and approval by the CFO and the TfL Commissioner. This is in relation to the Investment Programme milestone delivery, and specifically the Silvertown Tunnel. The target date for submission to the Secretary of State for approval of wider highway improvements to support the Tunnel's objectives was 29 June 2023. The submission had to be made within 90 days of this date. The submission was delayed until 28 November 2023 due to its interaction with the London wide Ultra Low Emission Zone (ULEZ). This was deemed to be the best balance of risk to the business. Internal Audit's opinion is that the mitigation is reasonable.

The year-end result for the 2023/24 TfL Scorecard, prior to any mitigations being applied, is 76.1 per cent. The approval of the mitigation has increased this to 77.1 per cent.

Testing results of the 12 sampled measures are shown in Appendix I. 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 2023/24 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 Niraj Shah Senior Internal Audit Manager, or me if you would like to discuss this further.

Kind regards

Jill Elliott
Head of Internal Audit
jillelliott@tfl.gov.uk

Appendix 1

	Theme	Measure	Objective	Basis/Unit of measurement	2023/24 Year to date - PII Actuals	2023/24-Final results-Post mitigation PI3	Target	Floor target	Post Mitigation Weighting	Score card measures reported accurately
1	Safety & Security	Colleague Killed or seriously injured. (KSI)	Vision Zero deaths (Mayor's Transport Strategy-MTS)	Absolute number of killed or seriously injured (KSIs)	17 (I)	18 (I)	22	23	0.00%	Satisfactory
2	Safety & Security	Roads Killed or Seriously Injured	Vision Zero deaths (MTS)	<i>Please note values in brackets indicate the number of fatalities.</i>	3239 (94) Now revised to 3241 (95) as at the date the data was extracted from the system 11/03/2024.	3722 (102)	3541	3822	3.04%	Satisfactory

	Theme	Measure	Objective	Basis/Unit of measurement	2023/24 Year to date - PII Actuals	2023/24-Final results-Post mitigation P13	Target	Floor target	Post Mitigation Weighting	Score card measures reported accurately
3	Safety & Security	Customer Killed or Seriously Injured	Vision Zero deaths (MTS)		169 (7)	202 (8)	201	218	6.28%	Satisfactory
4	Colleague	Senior Leadership Representation (SLR)	To represent London at every level of the organisation. This is key to making sure that there is diversity of thought in decision making and make TfL a more inclusive place to work.	% decimal place	SLR-Women 34.3% SLR-BAME-19.7% SLR-Disability - 5.8% SLR-Minority faith/belief-12.5% SLR-LBG-5.9%	SLR-Women 34.0% SLR-BAME-20.0% SLR-Disability - 6.47% SLR-Minority faith/belief-12.6% SLR-LBG-6.1%	SLR-Women 34.6% SLR-BAME-18.5% SLR-Disability - 6.5% SLR-Minority faith/belief-12.2% SLR-LBG-5.5%	SLR-Women 33.8% SLR-BAME-17.3% SLR-Disability - 5.8% SLR-Minority faith/belief-11.6% SLR-LBG-5.1%	SLR-Women -0.4% SLR-BAME-1% SLR-Disability -1% SLR-Minority faith/belief-1% SLR-LBG-1%	Satisfactory

	Theme	Measure	Objective	Basis/Unit of measurement	2023/24 Year to date - PII Actuals	2023/24-Final results-Post mitigation P13	Target	Floor target	Post Mitigation Weighting	Score card measures reported accurately
5	Customer	Bus journey time (minutes)	Key to MTS Policy I – encouraging sustainable mode share, and increasing revenue, through improvements in journey time and journey time reliability.	Minutes to 1 decimal place	34.1	34.1	33.8	35.3	2.50%	Satisfactory

	Theme	Measure	Objective	Basis/Unit of measurement	2023/24 Year to date - P11 Actuals	2023/24-Final results-Post mitigation P13	Target	Floor target	Post Mitigation Weighting	Score card measures reported accurately
6	Customer	Rail journey time (minutes)	Key to MTS Policy 1 – encouraging sustainable mode share, and increasing revenue, through improvements in journey time and journey time reliability.	Minutes to 1 decimal place	25.9	25.8	26.9	27.6	3.00%	Partly satisfactory - See summary of findings for more details

	Theme	Measure	Objective	Basis/Unit of measurement	2023/24 Year to date - PII Actuals	2023/24-Final results-Post mitigation P13	Target	Floor target	Post Mitigation Weighting	Score card measures reported accurately
7	Customer	LU journey time (minutes)	Key to MTS Policy I – encouraging sustainable mode share, and increasing revenue, through improvements in journey times and journey time reliability.	Minutes to 1 decimal place	28.1	28.3	27.9	28.9	2.10%	Satisfactory
8	Customer	Investment Programme Milestone delivery	This measure provides a measure of delivery for strategically significant programmes.	% to one decimal place	94%	87% (Pre mitigation 85%)	90%	75%	5.00%	Satisfactory

	Theme	Measure	Objective	Basis/Unit of measurement	2023/24 Year to date - PII Actuals	2023/24-Final results-Post mitigation PI3	Target	Floor target	Post Mitigation Weighting	Score card measures reported accurately
9	Green	CO2 emissions from TfL operations & building (tonnes CO2e)	Corporate Environment Plan – net zero operational carbon target by 2030, Zero Carbon Railway, Financial sustainability, Environmental sustainability.	Number ktCO2e (thousands of tons of carbon dioxide equivalent) No decimal place	565	827	845	879	5.00%	Satisfactory

	Theme	Measure	Objective	Basis/Unit of measurement	2023/24 Year to date - PII Actuals	2023/24-Final results-Post mitigation PI3	Target	Floor target	Post Mitigation Weighting	Score card measures reported accurately
10	Finance	Total income vs Budget (excluding extraordinary revenue grant)	Our measure of financial sustainability as defined in the 2023/24 Budget and Government Funding Agreement. We need to grow and maximise our revenue in order to deliver an operating surplus.	£ Millions	£7,472m	£8970m	£8872m	£8822m	5.00%	Satisfactory

	Theme	Measure	Objective	Basis/Unit of measurement	2023/24 Year to date - PII Actuals	2023/24-Final results-Post mitigation P13	Target	Floor target	Post Mitigation Weighting	Score card measures reported accurately
II	Finance	Operating surplus/deficit vs Budget	Our measure of financial sustainability as defined in the 2023/24 Budget and Government Funding Agreement. It is crucial for us to control our operating and capital costs, in line with the budget, as well as focus on increasing our revenue by growing demand.	£ Millions	£145m	£135m	£79m	£0m	10.00%	Satisfactory

TfL Scorecard (IA 24 020)

	Theme	Measure	Objective	Basis/Unit of measurement	2023/24 Year to date - P11 Actuals	2023/24-Final results-Post mitigation P13	Target	Floor target	Post Mitigation Weighting	Score card measures reported accurately
12	Finance	Capex vs budget (excluding Crossrail & TTLP)	It is crucial for us to control our capital costs, in line with the budget.	£ Millions	£1532m	£1871m	£1879m	Plus or min 2% of target	5.00%	Satisfactory