



WMCA Board

Date: Friday 13 January 2023

Time: 11.00 am **Public meeting** Yes

Venue: Council Chamber, Birmingham City Council, Council House, Victoria Square, Birmingham, B1 1BB

Membership

Constituent Members

Andy Street (Chair)
Councillor Bob Sleigh (Vice-Chair)

Councillor Mike Bird
Councillor Ian Brookfield
Councillor Rose Burley
Councillor Kerrie Carmichael
Councillor Steve Clark
Councillor Ian Courts
Councillor George Duggins
Councillor Patrick Harley
Councillor Brigid Jones
Councillor Abdul Khan
Councillor Bob Piper
Councillor Stephen Simkins
Councillor Ian Ward

Appointing Authority

Mayor of the West Midlands Combined Authority
Solihull Metropolitan Borough Council

Walsall Metropolitan Borough Council
City of Wolverhampton Council
Walsall Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Dudley Metropolitan Borough Council
Solihull Metropolitan Borough Council
Coventry City Council
Dudley Metropolitan Borough Council
Birmingham City Council
Coventry City Council
Sandwell Metropolitan Borough Council
City of Wolverhampton Council
Birmingham City Council

Non-Constituent Members

Anita Bhalla

Councillor Shaun Davies
Councillor Matthew Dormer
Councillor Tony Jefferson
Councillor Sebastian Lowe
Councillor Olivia Lyons
Councillor Jeremy Oates
Councillor Lezley Picton
Councillor Izzi Seccombe
Tom Westley
Councillor Kristofer Wilson
Sarah Windrum

Greater Birmingham & Solihull Local Enterprise
Partnership
Telford & Wrekin Council
Redditch Borough Council
Stratford-on-Avon District Council
Rugby Borough Council
Cannock Chase District Council
Tamworth Borough Council
Shropshire Council
Warwickshire County Council
Black Country Local Enterprise Partnership
Nuneaton and Bedworth Borough Council
Coventry & Warwickshire Local Enterprise
Partnership
North Warwickshire Borough Council

Councillor David A Wright

Observers Awaiting Membership

Councillor Andrew Day
Mandy Thorn

Warwick District Council
The Marches Local Enterprise Partnership

Co-Opted Member

Lee Barron

Midlands Trades Union Congress

Observer Members

Councillor Greg Brackenridge
Simon Foster

West Midlands Fire Authority
West Midlands Police & Crime Commissioner

Quorum for this meeting shall be at least one member from five separate Constituent councils

If you have any queries about this meeting, please contact:

Contact	Dan Essex, Governance Services Manager
Telephone	07824 547452
Email	dan.essex@wmca.org.uk

AGENDA

No.	Item	Presenting	Pages
Items of Public Business			
1.	Apologies for Absence	Chair	None
2.	Declarations of Interest Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None
3.	Chair's Remarks (if any)	Chair	None
4.	Minutes - 16 December 2022	Chair	1 - 10
5.	Forward Plan	Chair	11 - 14
6.	Regional Activity & Delivery Update	Chair	Verbal Report
Finance			
7.	WMCA Draft Budget 2023/24	Councillor Bob Sleigh	15 - 56
8.	Financial Monitoring Report 2022/23	Councillor Bob Sleigh	57 - 88
Levelling Up			
9.	Trailblazer Devolution Deal Update	Councillor Brigid Jones	Verbal Report
Transport			
10.	Very Light Rail Regional Package Strategic Outline Business Case	Councillor Ian Ward	89 - 96
Minutes			
11.	Wellbeing Board - 5 December 2022	Councillor Izzi Secombe	97 - 102
12.	Environment & Energy Board - 7 December 2022	Councillor Ian Courts	103 - 106
13.	Investment Board - 12 December 2022	Councillor Bob Sleigh	107 - 114

14.	Overview & Scrutiny Committee - 15 December 2022	Councillor Cathy Bayton	115 - 118
15.	Young Combined Authority Update - January 2023	YCA Representatives	119 - 120
16.	Exclusion of the Public and Press [In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as they are likely to involve the disclosure of exempt information as specified in the paragraphs of the Act.]	Chair	None
Items of Private Business			
Economy & Innovation			
17.	LEP Integration: Submission of West Midlands LEP Integration Plan	Councillor Ian Brookfield	121 - 172
18.	West Midlands Innovation Accelerator	Councillor Ian Brookfield	173 - 180
Transport			
19.	Very Light Rail Regional Package Strategic Outline Business Case - Appendix 1 [Confidential appendix relating to agenda item no. 10]	Councillor Ian Ward	181 - 188
Date of Next Meeting			
20.	Friday 10 February 2023 at 11.00am	Chair	None



**West Midlands
Combined Authority**

WMCA Board

Friday 16 December 2022 at 11.00 am

Minutes

Constituent Members

Andy Street (Chair)

Mayor of the West Midlands Combined Authority

Councillor Bob Sleight (Vice-Chair)

Solihull Metropolitan Borough Council

Councillor Mike Bird

Walsall Metropolitan Borough Council

Councillor Ian Brookfield

City of Wolverhampton Council

Councillor Steve Clark

Dudley Metropolitan Borough Council

Councillor George Duggins

Coventry City Council

Councillor Patrick Harley

Dudley Metropolitan Borough Council

Councillor Peter Hughes

Sandwell Metropolitan Borough Council

Councillor Stephen Simkins

City of Wolverhampton Council

Co-Opted Member

Rob Johnston

Midlands Trade Union Congress

Observer Members

Councillor Greg Brackenridge

West Midlands Fire Authority

In Attendance

Councillor Cathy Bayton

Overview & Scrutiny Committee

Simren Johal

Young Combined Authority

Khuram Mahmood

Young Combined Authority

Mark Smith

Audit, Risk & Assurance Committee

In Virtual Attendance Online

Councillor Matthew Dormer

Redditch Borough Council

Councillor Mary Locke

Transport Delivery Committee

Councillor Sebastian Lowe

Rugby Borough Council

Councillor Sue Markham

Nuneaton & Bedworth Borough Council

Councillor Izzi Seccombe

Warwickshire County Council

Councillor Ian Ward

Birmingham City Council

Item Title

No.

64. Apologies for Absence

Apologies for absence were received from Lee Barron (Midlands TUC), Anita Bhalla (Greater Birmingham & Solihull LEP), Councillor Kerrie Carmichael (Sandwell), Councillor Ian Courts (Solihull), Councillor Shaun Davies (Telford & Wrekin), Councillor Brigid Jones (Birmingham), Councillor Olivia Lyons (Cannock Chase) and Councillor Kristofer Wilson (Nuneaton & Bedworth).

65. Chair's Remarks

(a) Satish Mistry, Interim Director of Law & Governance

The Chair noted that this was the final meeting that Satish Mistry would be attending before Helen Edwards commenced her employment as Director of Law & Governance on 9 January 2023. He thanked Satish Mistry for all of the advice and guidance he had provided to the board since May 2021 and wished him well for the future.

66. Minutes - 28 October 2022

The minutes of the meeting held on 28 October 2022 were agreed as a correct record.

67. Forward Plan

The forward plan of items to be reported to future meetings of the board was noted.

68. Regional Activity & Delivery Update

The board received an update from the Chief Executive on recent activity of the WMCA, including recognition from the Carbon Disclosure Project for providing leadership on environmental action and transparency, the award of £1m to Act on Energy to help people across the region keep warm during the winter months, and the saving of 27 bus routes that had been placed at risk due to increases in fuel costs, the availability of drivers and reduced passenger numbers.

The Chief Executive also highlighted the work of the WMCA in investing £9m in homelessness services to enable Tamworth-based social enterprise Cornerstone to nearly double the number of properties it owned and used to help families in need of accommodation. She undertook to provide Councillor Stephen Simkins with further information on this project.

Councillor George Duggins noted the continued poor performance of services operated by Avanti West Coast, and urged this board to take further lobbying of the Department for Transport to express its dissatisfaction.

Resolved:

- (1) The update be noted.

- (2) The Chair write to the Secretary of State for Transport on behalf of the board to express its dissatisfaction with the operation of the Avanti West Coast franchise, including the belief that the franchise should be handed back if the service currently being provided did not substantially improve.

69. Review and Funding of West Midlands Growth Company

The board considered a report from the Executive Director of Economic Delivery, Skills & Communities providing an interim update on the progress of the review of the West Midlands Growth Company.

At its meeting on 23 September 2022, the Economic Growth Board agreed to initiate a detailed options review of the West Midlands Growth Company to identify and secure funding to deliver agreed priorities. In doing so, this would take forward the recommendations of the West Midlands Business Support review, which would ensure the West Midlands Growth Company was fully embedded into the business support ecosystem, removing any duplication and ensuring activities were streamlined with appropriate governance and accountability.

Councillor Ian Ward considered that the ‘project sponsors’ of the review should be broadened to include a wider representation to ensure that all key stakeholders considered that they were able to give direction to the review. The Chair accepted this suggestion, and indicated that the terms of reference for the review should be considered again by the Economic Growth Board in order to address the concerns being expressed by Councillor Ian Ward.

Councillor Mike Bird stressed the importance of ensuring that a properly independent review was undertaken that was able to assess how the West Midlands Growth Company undertook its activities. He also considered that improvements were needed to the reporting back on growth company activity to ensure that local authorities were more clearly sighted.

The Chief Executive, West Midlands Growth Company welcomed these comments and stressed the importance of each local authority, during the course of the review, making clear what its priorities for the growth company were. He also gave his support to improving the accountability of the growth company to ensure that all funding partners felt involved in its work.

Resolved:

- (1) The terms of reference of the review of the West Midlands Growth Company, initiated by the Economic Growth Board on 23 September 2022, be noted, including that the findings of the review would be reported to the WMCA Board on 10 February 2023 to support and agree activity to be undertaken by the West Midlands Growth Company in relation to the decision over funding for 2023/24 made at this meeting.

- (2) An agreement to provide £4m of funding for the period 1 April 2023 to 31 March 2024 to the West Midlands Growth Company, following the approval of the business case by the Investment Board on 12 December 2022, be approved, with the funding to be provided through paying the agreed service level agreement fee in return for the West Midlands Growth Company fulfilling its contractual obligations to the WMCA for various services and the £4m funding being comprised of three income streams, namely:
- (i) £700,000 from the WMCA core budget;
 - (ii) £1.6m from the UK Shared Prosperity Fund;
 - (iii) £1.7m contribution from securing a share of the Commonwealth Games Legacy Funds;

and all funding being directed through the WMCA and then paid to the West Midlands Growth Company as part of a single commissioning process.

- (3) It be noted that the WMCA received notification from the Government on 5 December 2022 that its UK Shared Prosperity Fund Investment Plan had been approved, along with the confirmation of funding for 2022/23 and indicative allocations for 2023/24 and 2024/25, with further details expected ahead of the WMCA Board meeting on 10 February 2023.
- (4) It be noted that the £1.7m Commonwealth Games Legacy Fund contribution was part of an overall larger package of funding that the West Midlands Growth Company hoped to secure from the legacy fund under minute no. 70 below, and it was noted that the formal confirmation letter of receipt of funding was still awaited by the WMCA from the Government.

[NB. Councillor Ian Brookfield, Councillor Patrick Harley and Councillor Ian Ward all declared personal interests in this item due them being members of the board of the West Midlands Growth Company. However, under s31 of the Localism Act 2011, the Monitoring Officer granted a dispensation to allow the councillors to debate and vote on this item.]

70. Proposal for WMCA Acceptance of a Share of Unallocated Contingency Funding from Birmingham 2022 Commonwealth Games

The board considered a report from the Executive Director of Strategy, Integration & Net Zero on the scoping of the Commonwealth Games Legacy Fund, a £70m resource investment that the WMCA would be granted by the Department for Digital, Culture, Media & Sport from 75% of the unallocated contingency funding in the Commonwealth Games budget.

There was unspent contingency funding from the Birmingham 2022 Commonwealth Games which the Department for Digital, Culture, Media & Sport had indicated it would allocate to the WMCA to spend on a Commonwealth Games Legacy Programme across 2023/24 and 2024/25. The WMCA and constituent authorities had agreed the following:

- The overall split of unspent contingency funding between WMCA and Birmingham City Council to be 75% and 25% respectively;
- The principle of allocating the 75% WMCA share in line with the B2022 Legacy Programme, other existing strategies and with WMCA governance and decision making processes;
- Four thematic programme pillars and the indicative proportions to be shared between them;
- The governance and decision-making process under which the 75% WMCA share would be managed.

Councillor Ian Ward indicated that Birmingham would wish this funding to be available to support future sporting events in the city, including athletics and football tournaments, but that the requirement to spend the money within the next two years would prevent this from happening. He therefore requested the Government to extend this timeframe in order for the region to maximise its long-term legacy programme.

Councillor Izzi Seccombe expressed disappointment at the level of funding proposed to be allocated to wellbeing and sustainability projects, given the important role it played in creating sustainable communities. The Executive Director of Strategy, Integration & Net Zero considered that a number of the pillars would be cross-cutting, and therefore he expected a significant number of them to include wellbeing-related activity. Councillor Peter Hughes indicated that he hoped the bidding process for this funding could avoid being overly bureaucratic so as to ensure as many expressions of interest as possible.

Resolved:

- (1) The acceptance by the WMCA as the accountable body for the receipt of approximately £70m resource grant funding from the Department for Digital, Culture, Media & Sport be approved subject to agreement of suitable terms and conditions.
- (2) The funding delegations to the Monitoring Officer and s151 Officer to enter into the various funding agreements and contracts which would be reasonably required to enable delivery of the programmes be approved.
- (3) Authority to carry out overall commissioning of the Commonwealth Games Legacy Fund, including any procurement activity as required, be delegated to the Executive Director for Strategy, Integration & Net Zero, in consultation with the s151 Officer.
- (4) The WMCA retaining 2% of the funding for accountable body costs in accordance with standard policy, including covering the costs for temporary resourcing support to design and manage the Commonwealth Games Legacy Programme be agreed.
- (5) The funding allocations between the four programme pillars, based on the new higher quantum of funding that the WMCA would receive as its share, be agreed.

- (6) The principle of the reallocation of funding between programme pillars in the event of in-year underspends arising within individual pillars, using the WMCA's change control process enabled by the Single Assurance Framework, be agreed.
- (7) The proposed decision-making and delivery processes for each pillar be agreed.
- (8) That the delivery timeline was likely to be constrained given the two-year spending profile and the limited preparation time ahead of the funding coming on-stream in financial year 2023/24 be noted, subject to the WMCA making further representations to the Government with the aim of securing an extension to this time period so that the underspend could be maximised to deliver a long-term legacy programme, and a draft letter of consent being requested from the Department for Digital, Culture, Media & Sport so that constituent members could satisfy themselves on the conditions being set.
- (9) The West Midlands Growth Company being allocated at least £1.7m of this funding in 2023/24, be agreed subject to confirmation of the full funding coming to the WMCA, in line with the funding proposal set out in the separate West Midlands Growth Company report (see minute no. 69 above).
- (10) It was noted that the next steps and intended decisions would be brought to the WMCA Board meeting on 13 January 2023.

71. Updated Single Assurance Framework

The board considered a report of the Executive Director of Finance & Business Hub providing the background to the updated Single Assurance Framework, highlighting a number of key changes.

The WMCA was required to undertake an annual refresh of its Single Assurance Framework document in accordance with Department for Levelling Up, Housing & Communities document 'The National Local Growth Framework (September 2021)'. This framework set out the Government's guidance for places that were required to develop their own local assurance framework and applied to mayoral combined authorities with a single pot and local enterprise partnerships. The Single Assurance Framework ensured that the mandatory role that the WMCA had as an accountable body for funding and the assurance requirements the WMCA needed to ensure were met.

Resolved:

The refreshed Single Assurance Framework, which had been updated in accordance with annual review requirements mandated by the Government, and which now met the National Local Growth Assurance Framework requirements published by the Department for Levelling Up, Housing & Communities in September 2021, be approved.

72. Transport for West Midlands Capital Pressures

The board considered a report from the Executive Director of Transport for West Midlands and the Executive Director of Finance & Business Hub providing an update on the current budget pressures being experienced on transport capital projects in delivery, the reasons for these and to advise on potential solutions to ensure that they could be completed successfully within a managed way which prevented any revenue cost exposure to the WMCA and the local authorities.

Over the last couple of years, there had been a number of projects increase in costs due to scope changes and construction challenges which had emerged on site. Standard practice was to allow for programme and budget contingencies to accommodate these pressures and this had been the case in all Transport for West Midlands projects. However, the last few years had thrown up a number of extraordinary further challenges, notably in relation to hyperinflation which was a national and global issue. The potential scale meant that Transport for West Midlands was unable to contain this within the existing capital resources and were therefore required to take some actions to mitigate any cost exposure to the WMCA.

The WMCA was heavily constrained in terms of the discretion it could exercise over its capital funding. Whilst the overall programme was substantial, many projects were funded on a project specific basis. The Transforming Cities Fund was the only pot of funding which was fully devolved to the region for local leaders to make the ultimate investment decisions. Whilst the City Region Sustainable Transport Settlement was also a devolved pot, the Department for Transport and the Treasury did retain some influence in how the funding was used to deliver clearly documented deliverables and outcomes.

Councillor Ian Ward requested that the findings of the investigation to be undertaken by the Chair of the Audit, Risk & Assurance Committee should be reported to the constituent authority Leaders. The Executive Director of Finance & Business Hub explained that immediately she was notified of the breach of financial regulations in one of the transport schemes she had initiated an investigation and then notified the Mayor of this within 24 hours.

Resolved:

- (1) The extent to which the WMCA's transport capital programme had been impacted by cost pressures be noted.
- (2) It be noted that in respect of one scheme, the cost control issues had resulted in a breach of financial regulations.
- (3) A formal independent investigation be commissioned through the Chair of the Audit, Risk & Assurance Committee in respect of the scheme referred to in (2) above, and the results of this investigation be reported to the WMCA and constituent authority Leaders.
- (4) The limited funding options open to the WMCA to meet these additional pressures be noted.

- (5) The approach towards dealing with the most urgent budgetary pressures, including the release of capital funding allocated within the Transforming Cities Fund programme, be approved.
- (6) It be noted that approval for immediate budget increases to three specific project budgets (totalling up to £17.8m) was requested within minute no. 80 below.
- (7) Subject to the Department for Transport's approval and following the WMCA's Single Assurance Framework process, it be approved that a number of projects previously funded by the Transforming Cities Fund and the WMCA's capital investment programme should subsequently be funded from the City Region Sustainable Transport Settlement programme.
- (8) The early warning of further capital pressures be noted.
- (9) Authority be delegated to the s151 Officer and Executive Director of Transport for West Midlands (in consultation with the Mayor and the Portfolio Lead for Transport) to make a formal change control application for the City Region Sustainable Transport Settlement programme to the Department for Transport in parallel to the WMCA's Single Assurance Framework process.
- (10) The risk be noted that in a worst-case scenario where no funding alternatives could be identified or costs avoided, a levy increase or corresponding transport budget savings to the value of approximately £11m to £20m would be required to meet the full extent of the capital cost pressures, and that any precise levy increase, should this be required, would be subject to a further report to this board.
- (11) The work being committed to enhance the robustness of management and reporting of capital projects in the WMCA's transport capital programme be noted.

73. Overview & Scrutiny Committee - 20 October 2022

The board considered the minutes of the Overview & Scrutiny Committee held on 20 October 2022.

Resolved:

The minutes of the meeting held on 20 October 2022 be noted.

74. Investment Board - 14 November 2022

The board considered the minutes of the meeting of the Investment Board held on 14 November 2022.

Resolved:

The minutes of the meeting held on 14 November 2022 be noted.

75. Transport Delivery Committee - 14 November 2022

The board considered the minutes of the Transport Delivery Committee meeting held on 14 November 2022.

Resolved:

The minutes of the meeting held on 14 November 2022 be noted.

76. Housing & Land Delivery Board - 16 November 2022

The board considered the minutes of the Housing & Land Delivery Board meeting held on 16 November 2022.

Resolved:

The minutes of the meeting held on 16 November 2022 be noted.

77. Economic Growth Board - 2 December 2022

The board considered the minutes of the Economic Growth Board meeting held on 2 December 2022.

Resolved:

The minutes of the inquorate meeting held on 2 December 2022 be approved.

78. Young Combined Authority Update - December 2022

The board received an update from Simren Johal and Khuram Mahmood setting out the activity of the Young Combined Authority during December.

During the last month, the YCA had looked at a number of issues affecting young people in the region, including cost of living pressures, and was also inputting into the deliberations of the Mental Health Commission. The YCA was looking forward to meeting with the Mayor on 4 January 2023 to discuss a number of policy initiatives.

Khuram Mahmood led the board in observing a minute's silence in memory of Finlay Butler, Samuel Butler, Jack Johnson and Thomas Stewart who had tragically lost their lives after falling through ice at Babbs Mill lake, Kingfisher Country Park, Solihull on 12 December.

Resolved:

The update be noted.

79. Exclusion of the Public and Press

Resolved:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it was likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act.

80. Transport for West Midlands Capital Pressures

The board considered a report from the Executive Director of Transport for West Midlands and the Executive Director of Finance & Business Hub providing the board with the scheme specific details concerning the Transport for West Midlands capital pressures which were considered commercially sensitive.

The report summarised the projects which were exposed to the issues highlighted in minute no. 72 above, together with indicative estimates of additional budget requirements post mitigation. Three schemes required an immediate uplift in budget, which this report sought to address. The remaining schemes were shown as early warnings, but all were highly likely to mature into a cost pressure to some degree over the short to medium term.

In respect of the investigation to be undertaken by the Chair of the Audit, Risk & Assurance Committee, Mark Smith confirmed that he would be speaking to the Monitoring Officer and Responsible Financial Officer shortly to commence this work, and he understood the importance of this matter and the urgency with which the board would like his investigation to be conducted.

Resolved:

- (1) The requirement for this private item, which was intended to protect the WMCA's commercial interests in any subsequent negotiations with its contractors, be noted.
- (2) Following consideration at minute no. 72 above, increases to project budgets up to the following maximum values be approved:
 - University Station - £5m
 - Wolverhampton Metro - £10.8m
 - Westside Metro - £2m

with the power to agree these adjustments delegated to the s151 Officer, following adequate assurance that a thorough commercial and technical challenge had taken place and the value for money remained appropriate.

81. Date of Next Meeting

Friday 13 January 2023 at 11.00am.

The meeting ended at 12.40 pm.

WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: FEBRUARY 2023 - JULY 2023

Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
Meeting 10 February 2023					
Regional Activity & Delivery Update	Purpose: To provide an update on the activity and delivery across the region since the last meeting.	n/a	Laura Shoaf	No	n/a
Review of the West Midlands Growth Company	Purpose: To review the West Midlands Growth Company.	n/a	Julie Nugent	No	Governance
WMCA Budget 2023/234	Purpose: To approve the WMCA's 2023/24 budget.	Cllr Bob Sleigh	Linda Horne	No	Finance
Race Equalities Taskforce Action Plan	Purpose: To approve the action plan.	Cllr Kerrie Carmichael	Ed Cox	No	Inclusive Communities
Local Transport Plan	Purpose:	Cllr Ian Ward	Anne Shaw	No	Transport
Wednesbury - Brierley Hill Metro Extension Funding Mitigation Measures	Purpose: To consider the latest progress in securing the mitigation measures for addressing the funding gap identified for phase 1 of the project and to close the funding gap for the full scheme.	Cllr Ian Ward	Linda Horne	Yes	Transport

Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
Meeting 24 March 2023					
Regional Activity & Delivery Update	Purpose: To provide an update on the activity and delivery across the region since the last meeting.	n/a	Laura Shoaf	No	n/a
Financial Monitoring 2022/23	Purpose: To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA.	Cllr Bob Sleigh	Linda Horne	No	Finance
Inclusive Communities Strategy	Purpose: To agree the scope and design of a programme.	Cllr Kerrie Carmichael	Ed Cox	No	Inclusive Communities
City Region Sustainable Transport Settlement - Metro Line 1 Business Case	Purpose: To consider the business case for essential renewal work to core elements of the existing line, including sections of key systems to ensure they continued to function correctly and avoided interruption to the service on the current routes.	Cllr Ian Ward	Anne Shaw	No	Transport
Meeting 9 June 2023					
Regional Activity & Delivery Update	Purpose: To provide an update on the activity and delivery across the region since the last meeting.	n/a	Laura Shoaf	No	n/a
Appointment of WMCA Boards and Committees 2023/24	Purpose: To approve consider the appointments to boards, chairs and meetings dates for 2023/24.	n/a	Satish Mistry	No	Governance



Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
Overview & Scrutiny Committee Annual Report	Purpose: To consider a report setting out the activity of overview & scrutiny during 2022/23.	n/a	Satish Mistry	No	Governance
Financial Monitoring 2022/23	Purpose: To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA.	Cllr Bob Sleigh	Linda Horne	No	Finance
Meeting July 2023					
Regional Activity & Delivery Update	Purpose: To provide an update on the activity and delivery across the region since the last meeting.	n/a	Laura Shoaf	No	n/a
Financial Monitoring 2022/23	Purpose: To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA.	Cllr Bob Sleigh	Linda Horne	No	Finance

This page is intentionally left blank



WMCA Board

Date	13 January 2023
Report title	WMCA Draft Budget 2023/24
Portfolio Lead	Finance - Councillor Bob Sleigh
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Linda Horne, Executive Director of Finance and Business Hub email: linda.horne@wmca.org.uk
Report has been considered by	SLT – 4 January 2023 WMFD – 5 January 2023

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

1. Approve for consultation the Draft 2023/24 West Midlands Combined Authority consolidated Revenue budget summarised in Section 4. This includes:
 - a) The budget requirement for Transport delivery in 2023/24 comprising three elements:
 - i. £119.4m to be funded from the existing Transport Levy mechanism
 - ii. Use of £4.7m Business Rates retention income
 - iii. Transfer from earmarked reserves of £9.2m.
 - b) The budget requirement for Portfolio delivery in 2023/24 of £170.4 million comprising of six elements:

- i. £140.6m Adult Education (including level 3) spending to be funded from Adult Education Budget funding devolved by the Department for Education¹
 - ii. £16.1m to be funded from Devolution deal grants
 - iii. £1.3m to be funded from other income, notably Investments
 - iv. £4.6m to be funded from Constituent Authority fees (fees to remain at the same level as 2022/23)
 - v. £0.4m to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2022/23)
 - vi. Use of £7.3m Business Rates retention income.
2. Approve for consultation and scrutiny the Mayoral Office budget for 2023/24 of £0.9m to be funded from additional Mayoral Capacity Funding.
 3. Approve for consultation the Draft 2023/24 Capital Programme of £805.1m.
 4. Note the planned spend on the Investment Programme over the period.
 5. Review the Mayor's budget and set out in a report to the Mayor whether it is approved in its current form including any recommendations before 8th February.
 6. Note that there will be no Mayoral Precept during 2023/24.
 7. Note West Midlands Combined Authority's ongoing commitment to work with the Mayor and Leaders to discuss future funding for the WMCA during 2023, including the need to review Local Choice Transport policies.
 8. Note the matters identified by Overview and Scrutiny Committee that arose out of the Mayoral Q&A on 15 December 2022.
 9. To delegate authority to the Executive Director of Finance & Business Hub and the Executive Director of Economic Delivery, Skills & Communities to accept any funds awarded for the Careers Enterprise and LEP integration into the WMCA.

1.0 Purpose

- 1.1. This report presents the Draft 2023/24 Budget for consideration by the West Midlands Combined Authority Board, to allow for feedback to inform the Final 2023/24 Budget to be approved in February 2023.
- 1.2. The WMCA Overview and Scrutiny Committee has undertaken the scrutiny work and feedback following the Mayoral Q&A session on the budget which took place on 15 December 2022 is attached to this report at Appendix 6.

2.0 Background

- 2.1. This report represents the first part of the formal process to determine the WMCA Budget, Levy and Precept levels for 2023/24. If approved, this report will form the basis for budget proposals to WMCA Board on 10 February 2023.

¹ The 2023/24 Adult Education Budget to be devolved from Department for Education will be confirmed in early 2023 and an update provided to Board.

- 2.2. The vision of WMCA is to deliver a more prosperous and better-connected West Midlands which is fairer, greener and healthier. The WMCA Board, in November 2021, approved six Aims and Objectives to deliver the region's priorities. The six Aims and Objectives are:
- Promote inclusive economic growth in every corner of the region
 - Ensure everyone has the opportunity to benefit
 - Connect our communities by delivering transport and unlocking housing and regeneration schemes
 - Reduce carbon emissions net zero and enhance the environment and boost climate resilience
 - Secure new powers and resources from Central Government
 - Develop our organisation and our role as a good regional partner
- 2.3. The Draft 2023/24 Budget aligns with these agreed Aims and Objectives and underpins the delivery of the WMCA's vision. This report includes the proposed WMCA activities for 2023/24 alongside the funding requirement to deliver these. This year represents an improved process for budget development, with the budget being planned from the bottom up, giving a more robust indication of the resources needed to deliver service activities. The budgets have been subject to rigorous internal review, challenge and scrutiny led by the Authority S151 Officer to ensure that they were robust, deliverable and aligned with planned activities in 2023/24.
- 2.4. The WMCA is continuing to operate in a period of significant financial uncertainty. When the 2022/23 budget was approved in February 2022, the main concern was around the ongoing and consequential impact of the pandemic and the region's recovery. Whilst these concerns remain, they are now overshadowed by the forecast impact of high inflation, especially in relation to fuel and energy prices and from increases in bank base rates. Russia's invasion of Ukraine has triggered spiralling inflation in the UK. Inflation (CPI) hit 9.6% in the 12 months to October 2022, whilst RPI is forecast to be around 7% in 2023/24. The impact of inflation is being experienced across all services with impacts on the WMCA's cost base and income levels. The WMCA's financial resilience is of utmost importance in order to be able to deal with these uncertainties, deliver statutory services and to have the ability to focus resources on key activities in support of the organisation's Aims and Objectives. The 2023/24 Draft Budget has been prepared using the best information available at the time of writing.
- 2.5. The capital programme incorporates proposals for utilisation of the £1.05bn award to WMCA as part of the City Regional Sustainable Transport Settlement (CRSTS) Fund. CRSTS is a capital grant, so allows WMCA to continue with its wide-ranging Capital Programme but does not provide any additional revenue support for the ongoing operational costs of the Transport network. Officers continue to work with Her Majesty's Government (HMG) to identify all additional funding opportunities open to WMCA, including submission of bids to seek to secure allocations of the £4.8bn Levelling Up funding announced in the Comprehensive Spending Review in 2021. Announcements on successful awards for Round 2 of the scheme were not yet made at the time of writing. The Trailblazer Devolution Deal (TDD) process is continuing with devolution proposals being developed across a wide range of themes. Proposals have a clear focus on drawing down powers and finance from Government. The process is being guided by the principle that the WMCA should not take on any additional responsibilities that are not properly resourced. Announcements on the TDD is anticipated by early 2023, and as a matter of prudence, no assumptions have been made around resources in the draft budget.

2.6. The key headlines for the 2023/24 Draft Budget are as follows:

- No Mayoral Precept to be introduced for 2023/24.
- Total Revenue expenditure of £345.0m, alongside a Capital Programme totalling £805.1m for 2023/24.
- Transport Levy to be increased by 2.0% compared with 2022/23, recognising the continued risks and ongoing pressures within the Transport network and slightly less than the expected rise in general Council tax allowable without the need for a referendum.
- Non-Constituent and Observer fees from April 2023 are set at £30,000 per Non-Constituent Authority, the same level as in 2022/23.
- Inflationary uplifts including 5% for pay, 7% for non-pay elements and 60% uplift for energy.
- Continued subsidy of West Midlands Metro operation
- Core funding of £0.7m for the West Midlands Growth Company as approved by WMCA Board in December 2022
- Capital Financing and Investment Income based on latest views, including £3.0m MRP charge.

3.0 Medium Term Financial Plan (MTFP) Update

3.1. The MTFP was initially presented to the WMCA Board in May 2022, subsequently revised during the summer including engagement with Mayor and Portfolio Leaders and Constituent Authorities. The latest position was presented to WMCA Board in October 2022 and presented a balanced budget.

3.2. That balanced position assumed the following funding solution to close the gap: :

- Transport Levy increase of 2%, generating an additional £2.3m annually to support Transport operations,
- cash-flat Member contributions,
- one off utilisation of reserves;
- and use of 2023/24 share of Business Rates Growth to support the budgetary position.

The WMCA also committed to deliver £3m of efficiency savings within its Transport functions. This funding solution recognises that Constituent Authorities were facing significant budget pressures and funding challenges which did not allow them to significantly increase their contributions.

3.3. In addition, it was acknowledged that due to risks in the external economic climate, wider public sector funding challenges, risks associated with the transport network and importantly opportunity arising from the TDD, then a one year funding solution should be sought leading to a balanced budget for 2023/24. This would leave financial pressure in the medium term, ranging from £26.5m in 2024/25 to £35.1m by 2027/28 to be considered early in 2023, depending on HMG negotiations. For prudence, no assumptions have been made in the MTFP around the TDD.

3.4. The table below summarises the financial position across the medium term.

Table 1 – Medium Term Financial Plan

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Transport Levy	117.0	119.4	121.7	129.0	131.5	134.0
Commonwealth Games	18.7	0.0	0.0	0.0	0.0	0.0
Investment Programme	36.5	36.5	36.5	36.5	36.5	36.5
Adult Education Budget	140.6	140.6	140.6	140.6	140.6	140.6
Share of Business Rates	0.0	12.0	11.6	10.6	14.7	11.1
Revenue Grants & Other Income	6.4	17.1	3.7	2.1	2.2	2.3
Constituent Membership	4.6	4.6	4.6	4.6	4.6	4.6
Non Constituent Members	0.5	0.4	0.4	0.4	0.4	0.4
Investment Income	1.4	5.2	1.4	1.4	1.4	1.4
Mayoral Precept	0.0	0.0	0.0	1.0	1.0	1.1
Use of Reserves	14.1	9.2	0.7	0.7	0.7	0.7
Total Funding	339.8	345.0	321.3	326.9	333.7	332.7
Transport for West Midlands	125.0	133.2	148.8	154.8	172.5	171.1
Commonwealth Games	18.7	0.0	0.0	0.0	0.0	0.0
Housing & Regeneration	1.5	1.8	1.3	1.4	1.4	1.4
Strategy, Integration and Net Zero	5.2	5.5	4.8	4.5	4.7	4.9
Economic Delivery, Skills & Communities	148.5	159.4	147.6	147.7	147.9	148.1
Portfolio Support	3.6	3.7	3.6	3.6	3.6	3.7
Investment Programme	36.6	40.4	36.6	36.6	36.6	36.6
Mayoral Office	0.8	0.9	0.9	1.0	1.0	1.1
Mayoral Election	0.0	0.0	4.0	1.0	1.0	1.0
Total Expenditure	339.8	345.0	347.7	350.6	368.7	367.8
Net Expenditure	0.0	0	-26.5	-23.7	-35.1	-35.1

4.0 Draft 2023/24 Consolidated Revenue Budget

4.1. The Draft 2023/24 Consolidated Revenue Budget is presented in Table 2 below.

Table 2 - Consolidated Draft Revenue Budget 2023/24

	Total	Transport	Housing & Rengeneration	Strategy, Integration and Net Zero	Economic Delivery, Skills & Delivery	Portfolio Central Funding & Support	Investment Programme	Mayors Office
	£m	£m	£m				£m	£m
Transport Levy	119.4	119.4						
Revenue Grants & Other Income	53.6		1.8	0.7	13.5	0.1	36.5	0.9
Adult Education Funding	140.6				140.6			
Share of Business Rates	12.0	4.7				7.3		
Grants from Constituent Members	4.6					4.6		
Grants from Non Constituent Members	0.4					0.4		
Investment Income	5.2					1.3	3.9	
Use of Reserves	9.2	9.2						
Total Income	345.0	133.2	1.8	0.7	154.0	13.8	40.4	0.9
Transport Delivery	133.2	133.2						
Housing & Rengeneration	1.8	-	1.8					
Strategy, Integration and Net Zero	5.5	-		5.5				
Economic Delivery, Skills & Communities	159.4	-			159.4			
Portfolio Support	3.7	-				3.7		
Investment Programme	40.4	-					40.4	
Mayoral Office	0.9	-						0.9
Total Expenditure	345.0	133.2	1.8	5.5	159.4	3.7	40.4	0.9
Net Expenditure	0.0	0.0	0.0	- 4.8	- 5.3	10.1	-	0.0

- 4.2. In acknowledgement of the medium term pressures, the WMCA has already committed to working with Constituent Authorities throughout 2023 to develop a longer-term, sustainable budget and plan, building on the work done with business planning and linkages to the Aims and Objectives. Initial recommendations will be reported to Leaders in May 2023, and this will hopefully include any outcomes from the discussions with Government in relation to the TDD.
- 4.3. As previously referenced, the proposed Transport Levy is £119.4m, an increase of 2.0% from 2022/23, allocated to Constituent Members based on statutory populations (Census 2021 numbers). Constituent Member contributions are proposed to be held at £4.6m, £2.9m of which is split equally between members, the remaining £1.7m is split based on statutory populations.

Table 3 - West Midlands Combined Authority Levy & Constituent Members Contributions

Allocations	2022/23 £m	2023/24 £m	Net Change
Birmingham	46.48	47.89	(1.41)
Coventry	15.74	14.76	0.98
Dudley	13.44	13.83	(0.39)
Sandwell	13.71	14.59	(0.88)
Solihull	9.20	9.38	(0.18)
Walsall	12.00	12.20	(0.20)
Wolverhampton	11.10	11.35	(0.26)
Total	121.66	124.00	(2.24)

- 4.4. Non-constituent Member and Observer Fees are proposed to be retained at £30,000 per Authority from 1 April 2023, the same level as in 2022/23. These fees will remain subject to review over the medium term.

Table 4 - Non-Constituent Member and Observer Fees

Non-Constituent Member Allocations	2023/24 £
Non-Constituent	
Cannock Chase District Council	30,000
North Warwickshire Borough Council	30,000
Nuneaton and Bedworth Borough Council	30,000
Redditch Borough Council	30,000
Rugby Borough Council	30,000
Shropshire Council	30,000
Stratford-on-Avon District Council	30,000
Tamworth Borough Council	30,000
Telford and Wrekin Council	30,000
Warwickshire County Council	30,000
Observers	
The Marches LEP	30,000
Fire partner contribution	30,000
Police partner contribution	30,000
Warwick District Council	30,000
Total	420,000

4.5. The contributions from the Non-Constituent and Observer authorities reflect their ability to access regeneration funds as well as wider benefits delivered by WMCA:

- Enabling cross-organisation and cross partner working to build economic resilience in the West Midlands
- Lead on Digital platforms such as deployment of c.£100m to support the 5G mobile network within the region
- Coordinated Housing and Land investments such as brownfield land development and town centre regeneration programmes
- Ongoing work on the Environmental strategy, notably WM2041

4.6. Non-Constituent authorities are currently able to able to access the WMCA loan funds (CIF and RIF totalling £210m), Brownfield Land and Property Development Fund (BLPDF) (grants up to £50m) and devolved Housing grants (totalling £253m) from government. This allows for significant opportunity for increased housing, regenerated brownfield land, economic growth and jobs, alongside increased business rates and investment into awarded areas.

4.7. With respect to the £12.0m Business Rates retention income assumption within the Budget (and presented within Table 2), this value is consistent with the principles agreed to date. This will be allocated to the Revenue Budget, underpinning both Transport and Non-Transport expenditure. As such, the WMCA Investment Programme affordable limit will remain capped at £871m. WMCA recognise the ongoing impact that Covid-19 has had on Business Rates in each of its Constituent Authorities, and so as in previous years this income would not be allocated within the Investment Programme modelling until the WM Finance Director group confirmed the collectability of this income over the future 25 years. WMCA continues to work with HMG officials as part of the TDD negotiations to secure a solution to the future retention of business rates in the region.

5.0 Draft 2023/24 Transport for West Midlands Revenue Budget

5.1. A detailed analysis of the 2023/24 TfWM Budget and Activity is included within Appendix 1. A summary position for the period 2022/23 to 2027/28 is included below:

Table 5 - Summary Transport Revenue Budget 2022/23 to 2027/28

Transport 5 Year Position	2022/2023		2023/2024		2024/2025		2025/2026		2026/2027		2027/28	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
English National Concessions Travel Scheme	47.8	33.1%	47.2	35.5%	49.3	33.3%	51.6	33.5%	53.8	31.3%	54.8	32.2%
Capital Financing	8.4	5.8%	10.2	7.7%	12.5	8.4%	12.5	8.1%	11.9	6.9%	9.6	5.6%
TfWM Policies	60.6	41.8%	65.8	49.4%	74.1	50.0%	77.5	50.3%	93.8	54.6%	94.7	55.6%
Strategic Development	4.9	3.4%	4.8	3.6%	5.6	3.8%	5.7	3.7%	5.8	3.4%	5.6	3.3%
Business Support & Elected Members	4.4	3.0%	5.1	3.9%	6.6	4.5%	6.7	4.3%	6.5	3.8%	5.6	3.3%
Commonwealth Games	18.7	12.9%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total Expenditure	144.7	100.0%	133.2	100.0%	148.1	100.0%	154.1	100.0%	171.8	100.0%	170.4	100.0%
Use of Reserves	9.1		9.2		0.0		0.0		0.0		0.0	
Business Rates Growth	0.0		4.7		4.7		3.3		7.1		3.1	
Commonwealth Games	18.7		0.0		0.0		0.0		0.0		0.0	
Proposed Levy	117.0		119.4		121.7		129.0		131.5		134.0	
Total Funding	144.7		133.2		126.5		132.3		138.5		137.1	
Gap	0.0		0.0		-21.6		-21.8		-33.3		-33.3	

- 5.2. No changes to WMCA Transport policies are proposed for 2023/24, and any such proposal would be subject to full public consultation. As previously noted, WMCA has committed to developing a longer-term, sustainable budget and plan with Constituent Members during 2023. This work must include a full review of all WMCA Transport policies as part of developing a sustainable funding route for operation of the Transport network as agreed by Leaders
- 5.3. The Bus network continues to come under sustained pressure. Rising fuel costs and labour shortages coupled with uncertainty around patronage recovery are making network operation increasingly challenging. It is imperative that the network remains stable for the day-to-day needs of the region's residents.
- 5.4. The network is currently operating at around 90% of pre-Covid-19 levels but it has been sustained since March 2020 by substantial HMG financial support directly to operators. The DfT has allocated £88m of Bus Service Improvement Plan (BSIP) funding to the West Midlands. This will be paid in three instalments with the first instalment being expected by the end of December 2022. The allocations for Years 2 and 3 are dependent on successful performance against approved BSIP objectives so there is an inherent risk that some funding will be withheld should performance objectives fail to be met. Some of the funding will be used to support tendered contracts which will last from 1st January 2023 to 31st March 2025.
- 5.5. Funding within the BSIP and City Region Sustainable Transport Settlement (CRSTS) have been ringfenced for transformation, and so there are some opportunities that measures such as simplification, better bus services and more bus priority to encourage modal shift will help passenger numbers to rebound, as well as changes in Local Transport Policy and positive interventions through the £2 fare cap. Government have been engaging directly with operators and has requested that operators 'right size' their services to adapt to the new levels of patronage.
- 5.6. It is increasingly likely that operators will de-register services that are not commercially viable, for which intervention will be needed for provision of socially necessary routes. The 2023/24 budget includes a £0.8m uplift on the 2022/23 subsidised bus service budget to cover non- pay inflation pressures. It does not, however, include assumptions (nor is there sufficient financial capacity within identifiable WMCA resources) to support significant commercial de-registrations.

- 5.7. In March 2021, WMCA Board set aside £10m of Investment Programme funding to protect against risk. This remains in place to provide some resilience. However, it is a finite amount so the need for long term transformational change, as set out in the National Bus Strategy, is required to ensure that the future state is financially sustainable.
- 5.8. The English National Concessionary Travel Scheme (ENCTS) patronage continues to struggle to grow following Covid-19 with patronage remaining at approximately 70% of pre-Covid levels. To support bus operators, the WMCA has continued to pay on assumed pre-Covid patronage levels since March 2020, with agreement to do this currently being until 31st March 2023. The Government continues to support this approach and has extended the Statutory Instrument, which removes the “No Better” clause from the “No Better, No Worse” principle governing ENCTS reimbursement, to 31st March 2024. This allows Authorities to pay operators more than would be the case if they paid on actual journeys. The reimbursement reflects where operators are not running a full service and a deduction is applied in those circumstances. Under normal circumstances, the WMCA would use the DfT reimbursement model to calculate operators’ Reimbursement Rates to apply to ENCTS journeys. This has not been required whilst the Authority has been paying on assumed patronage at existing Reimbursement Rates. The DfT has indicated that it will be updating its model although this will not be available in time for the 2023/24 financial year. The WMCA and other Authorities will work alongside the DfT in the development of the model to ensure that it remains a sound tool to determine reimbursement in the future as well as to understand the DfT’s view on reimbursement principles in the interim
- 5.9. WMCA continues to proactively manage network risks through discussions with both HMG and operators with an announcement on future funding for the bus industry expected in January 2023. An update will be provided in the final budget report to February WMCA Board. These will also be factored into the development of WMCA’s longer term, sustainable budget and plan throughout 2023.
- 5.10. The 2023/24 Transport Budget will be supported by £4.7m of Business Rates Retention income.
- 5.11. The Transport Budget will also be supported by the key assumption that all Metro Lifecycle costs for 2023/24 will be met within existing resources or will be allocated funding from WMCA’s CRSTS settlement. This action supports the Budget to the value of £18.8m.

6.0 Draft 2023/24 Portfolio Revenue Budget

- 6.1. Detailed analysis of the WMCA Portfolio Budget is included within Appendix 2 and 3. A summary position for the period 2022/23 to 2027/28 is included below:

Table 6 - Summary WMCA Portfolio Budget 2022/23 to 2026/27

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Constituent Members	4.6	4.6	4.6	4.6	4.6	4.6
Non-Constituent Members	0.5	0.4	0.4	0.4	0.4	0.4
Investment Income	1.3	1.3	1.3	1.3	1.3	1.3
Adult Education Budget	140.6	140.6	140.6	140.6	140.6	140.6
Business Rates Growth	0.0	7.3	6.9	7.3	7.6	8.0
Revenue Grants & Other Income	5.6	16.1	2.7	2.1	2.2	2.3
Use of Reserves	6.1	0.0	0.7	0.7	0.7	0.7
Total Funding	158.7	170.4	157.3	157.0	157.5	157.9
Housing & Rengeneration	1.5	1.8	1.3	1.4	1.4	1.4
Strategy, Integration and Net Zero	5.2	5.5	4.8	4.5	4.7	4.9
Economic Delivery, Skills & Communities	148.5	159.4	147.6	147.7	147.9	148.1
Portfolio Support	3.6	3.7	3.6	3.6	3.6	3.7
Total Expenditure	158.7	170.4	157.4	157.1	157.6	158.0
Net Expenditure	0.0	0.0	-0.1	-0.1	-0.1	-0.1

- 6.2. The WMCA Portfolio Budget is primarily funded through Adult Education Grants, Constituent and Non-Constituent Member Fees and Observer Fees. It is further supported by other Devolution Deal grants and returns on cash investments.
- 6.3. From 2019/20, WMCA has had responsibility for the region's Adult Education Budget and its delivery. The total funding for 2023/24 Adult Education will not be announced until early 2023, however it is expected to be in line with 2022/23. An update will be provided in due course to WMCA Board.
- 6.4. As previously referenced, the 2023/24 WMCA Portfolio Budget will also be supported by £7.3m of Business Rates retention income.
- 6.5. Work will continue throughout 2023/24 as part of WMCA's Business Transformation Programme in order to identify and realise efficiencies. Any efficiencies identified will be reserved by WMCA's Finance Director to guard against any pressures which emerge during 2023/24 and build up further resilience.
- 6.6. From 1 April 2023, core funding for LEPs and Growth Hubs will transfer to the WMCA to enable it to discharge the functions which, previously, government commissioned through LEPs. This integration into the WMCA reflects an overall plan by Government to simplify and strengthen economic development functions across the West Midlands. Whilst the funding for the service is not yet confirmed, Government has indicated that future core funding will be reduced in part to reflect reduced geographic footprint. It is anticipated that there will be some funding to support this activity, but confirmation is expected in March 2023. LEPs have also received funds from government departments to deliver services such as the Careers Enterprise. Work is currently ongoing to clarify future funding and delivery arrangements, but as for the core funding, confirmation may not be received until March 2023. The new services will sit under the Economic Delivery, Skills & Communities Portfolio.

7.0 Mayor's Budget and Precept

- 7.1. The MTFP currently includes no Mayoral Precept commitment until 2025/26 following the 2024 Mayoral Election. The decision not to raise a Precept in 2023/24 has been discussed with the Mayor and Portfolio Leads as part of the budget setting process. It is proposed that the 2023/24 Mayor's Office £0.9m Budget is funded from a one-year extension to the Mayoral Capacity Funding. This funding is still to be confirmed by DLUHC.
- 7.2. The Mayor's Budget for 2023/24 is £0.9m and includes the staffing costs of the Mayor, the senior team, support staff, policy advisors as well as resources to deliver communications, customer response and events.
- 7.3. The Mayor must notify the WMCA of his Draft 2023/24 Budget before 1 February 2023 and this report represents that notification. The WMCA must review the Mayor's Budget and may make a report on it to the Mayor setting out whether they would approve it in its current form and may include recommendations. This must take place before 8 February 2023 otherwise the Mayor's Budget will be deemed approved.
- 7.4. If the WMCA makes a report, then the Mayor must have at least 5 working days to respond and can either make the requested changes or not. The WMCA must then decide whether to accept the original (or revised) Budget or veto it and approve the Budget with their requested amendments. Decisions of the WMCA are by a 2/3rds majority for setting of the Mayoral Budget.
- 7.5. The 2011 Localism Act gives local communities the power to approve or veto excessive rises in Council Tax. Central government guidance on excessive increases in Council Tax will not apply to WMCA in 2023/24, given that no precept is proposed.

8.0 West Midlands Combined Authority Medium Term Capital Programme

- 8.1. The West Midlands Combined Authority indicative Capital Programme is summarised in Table 4 and set out in further detail within Appendices 4 to 6. Table 7 below summarises the current planned capital investment between 2022/23 and 2026/27 with the 2022/23 values based on latest forecasts. The actual capital budget for 2023/24 will be influenced by financial performance in 2022/23. As such, the final 2023/24 Capital Budget will be presented for approval to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.

Table 7: Summary West Midlands Combined Authority Capital Programme

WMCA CAPITAL PROGRAMME (£M)		Appendix	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Expenditure	TfWM Expenditure	4	295.8	356.9	170.4	115.8	65.2	1,004.1
	Housing and Regeneration Expenditure	5	43.5	68.0	61.9	61.1	23.6	258.1
	Investment Programme Grants to Local Authorities	6	65.8	142.5	161.2	167.5	104.0	641.0
	City Region Sustainable Transport Settlement	7	63.8	236.7	277.2	205.8	168.3	951.8
	Other	5	10.1	1.1	0.4	-	-	11.6
TOTAL EXPENDITURE			479.0	805.2	671.0	550.1	361.2	2,866.5
Funding	Investment Programme Debt		115.4	238.3	20.0	18.9	-	392.6
	TfWM Debt		3.9	59.5	67.2	71.9	0.2	202.7
	Grants		359.7	442.6	372.0	266.9	192.5	1,633.7
	Other		-	64.8	211.8	192.4	168.5	637.5
TOTAL FUNDING			479.0	805.2	671.0	550.1	361.2	2,866.5
* Provisional expenditure estimates for Investment Programme and other projects which are subject to WMCA raising additional income or yet to have the funding package fully secured.								

- 8.2. Approximately a third of the Combined Authority's planned capital investment to 2026/27 consists of expenditure directly incurred by Transport for West Midlands in pursuance of the Investment Programme and Transforming Cities Programme. Another 20% is concerned with the reimbursement of Local Authorities as part of the West Midlands Investment Programme and 10% will be spent in delivering the Housing and Regeneration objectives using funds secured by WMCA from Central Government. Just over 30% of the Combined Authority's total planned capital investment to 2026/27 consists of delivering the City Region Sustainable Transport Settlement, the allocation of which was approved by WMCA Board and DfT earlier this financial year.
- 8.3. Those larger Transport for West Midlands Programmes contain significant investment in expanding the Metro network in addition to investment in developing and delivering new local Rail stations in Birmingham and the Black Country. The Transport programme reflects the final phase of the Transforming Cities Programme, and in 2022/23 includes the completion of all WMCA delivered assets for University and Perry Barr rail station improvements and A34 / A45 Sprint.
- 8.4. The Housing Capital Programme includes the land remediation programmes launched by the WMCA in 2016 and delivery against the various Housing capital grants awarded to the Combined Authority which now total £303m.
- 8.5. The Investment Programme Grants to Local Authorities Programme includes grants payable under the original Investment Programme approved in 2016. This includes significant investment in Coventry (Station Masterplan, City Centre Regeneration) and Solihull for the UK Central Programme.
- 8.6. In addition to the traditional capital investment detailed above, WMCA will continue to operate the commercial and residential investment funds where loans to developers are made with the objective of unlocking stalled development sites which traditional lenders are unwilling to finance. The loans are held on the WMCA balance sheet under standard accounting regulations and as at December 2022, the cumulative value of loan commitments approved by WMCA totalled £227m (including £80m of loans which have since been repaid). The value of loans drawn and earning interest as at December 2022 was £42.1m.

- 8.7. The funding for the capital programme is supported mostly by project specific grants or borrowing, where the revenues to support the costs of the debt and interest are underpinned by Investment Programme income or any commercial revenues expected to flow from those investments.
- 8.8. The full extent of the Investment Programme and 2016 Devolution Deal schemes remain as provisional commitments within the overall programme, even though the funding to underpin elements of the investment currently remains unsecure. Work with the Mayor, Constituent Member Leaders and the WMCA Finance Directors will continue into 2023/24 to enable the gaps to be closed and no expenditure will be committed without first having a clearly available funding source.

9.0 Investment Programme

- 9.1. The WMCA Investment Programme was a product of the first devolution deal in 2016 and was designed to devolve more accountability, funding and powers out to the regions. From an expenditure perspective, the Investment Programme is an £8bn (gross) package of measures for the region containing projects centred around key economic prosperity drivers such as HS2, city centre regeneration and the remediation of brownfield sites.
- 9.2. From a programme perspective, £2bn of the overall £8bn was to be funded by WMCA generating locally sourced income to support borrowing which in turn could be used to accelerate the development.
- 9.3. Government agreed to provide a gainshare grant of £36.5m per year for 30 years, subject to a five yearly gateway review. The first gateway review occurred during 2020/21 and WMCA worked closely with consultants appointed by DLUHC to undertake the review, with confirmation of a successful outcome received in May 2021. As such, £36.5m of income to support the Investment Programme is now expected for the next three financial years. An interim Gateway review will take place during 2023/24 and relevant updates will be provided to WMCA Board via the Financial Monitoring report as appropriate.
- 9.4. The current affordable Investment programme approved by the WMCA Board is investment of £871m across the region.

10.0 Budget Calculation

- 10.1. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer, in this case, the Finance Director, as Section 151 Officer, to report to the West Midlands Combined Authority when it is setting the budget and the precept. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 10.2. The budget currently provides for the financial implications of the West Midlands Combined Authority's policies to the extent that these are known or can reasonably be assessed. However, there are risks which are beyond the West Midlands Combined Authority's control and for which it is not possible to be precise:
- The West Midlands Combined Authority's demand-led services
 - Economic and community recovery from Covid-19 pandemic
 - Impact of the Russia/ Ukraine war
 - Inflation and interest rate volatility

- West Midlands Pension Fund Investment Performance
 - Unforeseen emergencies
- 10.3. The existing General Reserve Balance is £1.5 million. This balance represents only 1.2% of the aggregate proposed 2023/24 Constituent Authority contributions.
- 10.4. Whilst the appropriate level of general fund reserves is a matter for judgement by the Finance Director (Section 151 Officer) it is generally accepted for general fund reserves to be between 3% and 5% of expenditure. The proposed balance is below this recommended level, however WMCA does carry earmarked reserves in order to ensure that existing commitments can be delivered. It is also noted that it would not be appropriate for WMCA to sit on extensive general reserves whilst Constituent Members face funding challenges of their own.
- 10.5. WMCA is obliged to ensure that all resources are applied in a way which secure the best value for the region, and to continually review its performance and financial position.
- 10.6. These obligations are addressed through an annual review of the MTFP, culminating in the Draft and Final Budget reports presented to WMCA Board in January and February respectively. WMCA Board also receive the latest available financial position at each Board meeting throughout the year, with additional papers presented to seek approval for significant investments or revisions to Budget.
- 10.7. Whilst no Budget is risk-free, WMCA does still have opportunities to improve its financial position:
- Reducing all Capital Financing costs through accessing best value financing available, including the Public Works Loans Board and UK Infrastructure Bank; and
 - Optimising returns on all cash investments, continually reviewing the market for additional funds to invest in which meet WMCA's Treasury Management Strategy guidelines.
- 10.8. The Finance Director states that to the best of her knowledge and belief the 2023/24 Draft Budget calculations are robust and have full regard to:
- The expected financial position as at the end of 2022/23
 - The Transport Revenue Budget as set out in Appendix 1
 - The Portfolio Revenue Budget as set out in Appendix 2
 - The Transport Capital Programme as set out in Appendix 4
 - The Housing Capital Programme as set out in Appendix 5
 - The Investment Programme as set out in Appendix 6
 - The City Region Sustainable Transport Settlement (CRSTS) Programme as set out in Appendix 7
 - The strength of WMCA's financial control procedures including audit considerations
 - The extent of WMCA's General and Earmarked reserves.
 - The policies of Her Majesty's Government as they impact upon WMCA

11.0 Scrutiny of the budget proposals

A Mayoral Budget Q&A session was held in public on 15 December 2022. Members of WMCA's Overview and Scrutiny committee questioned the Mayor and the Portfolio Lead for Finance, Councillor Bob Sleigh, on the development of the 2023/24 Budget, financial challenges and the ongoing sustainability of WMCA. Further questions were asked on Transport policy, Trailblazer Devolution Deal, West Midlands Growth Company and WM2041.

- 11.1. The matters identified that arose out of the Mayoral Q&A on 15 December 2022 are set out in Appendix 7 along with the recommendation that these matters be considered further by the WMCA Board.

12.0 Legal Implications

- 12.1. Under powers granted by the Combined Authorities (Finance) Order 2017, Elected Mayors may raise a precept on Constituent Authorities Council Tax bills under section 107G of the Local Democracy Economic Development and Construction Act 2009. A Mayoral Precept may only be issued in relation to the costs of the Mayor or of discharging Mayoral Functions. The Mayoral functions are set out in Article 22 of the West Midlands Combined Authority (functions and amendments) Order 2017. There are powers for the Mayor to engage in highway management activity, works permit schemes, road safety measures and road traffic reduction activity amongst others. The Order also gives the Mayor a functional power of competence to do anything that is associated, incidental or connected with those powers in order to undertake those activities.
- 12.2. As the Mayor did not include setting a precept as part of his 2021 Election Manifesto, the funding of budget proposals in respect of Mayoral functions is expected to be met from alternative funding sources until 2025/26 at the earliest.
- 12.3. As a public authority which has the power to levy for transport functions and to raise a precept, WMCA must set a budget every year which is agreed through its formal decision-making processes. This report outlines the legal and governance processes that need to be completed including consideration by Overview and Scrutiny Committee and the WMCA Board.

13.0 Equalities Implications

- 13.1. There is no direct equality impact in relation to the 2023/24 Budget proposals as funding has been maintained and service provision is not affected. However, there are increased risks and financial uncertainties due to general economic conditions and in particular inflation, supply chain issues and energy costs.
- 13.2. A number of mitigating measures have been considered as part of Budget planning which should help mitigate any negative impact, but the scale of change may result in the need for additional considerations in relation to assisted travel policies. The protected characteristics most likely to be affected are those on lower incomes with fewer economic resources who are more reliant on public transport. This would include young people, women, single parents, people from lower socio-economic groups, ethnic minorities and disabled people.

13.3. Future policy options would need to undergo in-depth equality impact assessments and engagement/consultation with affected groups to ensure negative impact is mitigated as far as practically possible.

14.0 Inclusive Growth Implications

14.1. West Midlands Combined Authority will continue to have due regard to proactively delivering inclusive growth in the West Midlands region. The budget proposals contained in this report reflect that commitment.

15.0 Geographical Area of Report's Implications

15.1. The Budget proposals encompass the West Midlands region.

16.0 Appendices

Appendix 1 – Transport Delivery Revenue Budget

Appendix 2 – WMCA Delivery Budget (Non-Transport)

Appendix 3 – Activity for 2023/24

Appendix 4 – Transport Capital Programme

Appendix 5 – Housing & Other Capital Programme

Appendix 6 – Investment Programme Capital Grants to Local Authorities

Appendix 7 – City Region Sustainable Transport Settlement

Appendix 8 – Mayoral Q&A - Budget 2023/24

Proposed Transport Revenue Budget

	2022/23 BUDGET £000	2023/24 Budget £000	2024/25 MTFP £000	2025/26 MTFP £000	2026/27 MTFP £000	2027/28 MTFP £000
Transport Levy	117,015	119,355	121,742	128,977	131,460	133,994
Business Rates		4,674	4,735	3,297	7,089	3,127
Use of Reserves	9,078	9,201				
Efficiency Target	582	3,000				
TOTAL FUNDING	126,674	136,229	126,477	132,274	138,549	137,120
Concessions						
National Bus Concession	47,843	47,248	49,338	51,649	53,784	54,827
Metro / Rail	4,576	4,574	4,590	4,597	4,604	4,714
Child Concession	6,710	7,166	7,402	7,656	7,954	8,300
	59,130	58,988	61,331	63,902	66,342	67,841
Bus Services						
Bus Stations / Infrastructure	5,643	5,934	6,589	7,125	7,562	7,698
Subsidised Network	13,420	14,255	15,143	15,301	15,656	15,656
Accessible Transport	6,638	6,633	6,653	6,659	6,666	6,673
	25,702	26,823	28,385	29,086	29,884	30,027
Rail and Metro Services						
Metro Services	6,137	10,899	12,670	15,235	31,042	31,692
Rail Services	4,165	4,852	4,524	4,588	4,657	4,657
	10,302	15,751	17,194	19,823	35,699	36,349
Integration						
Safety and Security	1,257	2,778	2,811	2,930	3,042	3,125
Passenger Information	6,959	6,537	7,656	7,927	8,053	7,765
Sustainable Travel	1,893	1,956	2,574	1,894	918	899
	10,109	11,271	13,040	12,751	12,013	11,789
Network Resilience	3,744	3,197	3,501	3,604	3,653	3,557
Commonwealth Games	0	0	0	(0)	0	0
Business and Democratic Support	4,279	4,999	6,462	6,537	6,343	5,463
Strategic Development	4,863	4,840	5,607	5,746	5,802	5,641
Transport Governance	135	141	147	153	160	167
Capital Finance Charges	8,410	10,219	12,453	12,522	11,910	9,568
TOTAL EXPENDITURE	126,674	136,229	148,119	154,123	171,806	170,401
NET Expenditure	0	0	(21,642)	(21,849)	(33,257)	(33,281)

ENCTS (National Bus Concession) £47.2m

- Free Travel for all entitled to national pass from 9.30am to 11pm
- Reimbursement regulated by Secretary of State with guidance provided by DfT
- Current discretionary scheme extension 11pm to last bus

Child Concessions £7.2m

- Half fare travel
- Children 5-15 Years
- Young adults in education 16-18 Years
- Apprentices and Trainees 16-18 Years Weekdays before 9.30 am & between 15.00 & 18.00 Hrs

Rail and Metro Concessions £4.6m

- Extensions of national bus scheme to rail and metro
- After 9.30pm to midnight weekdays, all day weekends and bank holidays
- Rail estimated 4.6m trips per annum (pre-Covid-19)
- Metro approx. 1.0m trips per annum (pre-Covid-19)

Subsidised services £14.3m

- Policy criteria -Minimum 8 passengers per journey
- The current VFM Thresholds are £4.10 for tendered contract
- Access criteria 400m (7am -7pm) 700m (all other times)

Accessible Transport £6.7m

- Ring & Ride service operated by National Express Accessible Transport.
- Prior to Covid this affected 14,000 users / 700,000 trips per annum although this has been critically impacted by the coronavirus pandemic. There are now approximately 3,100 active users / 175,000 trips per annum

Passenger information £6.6m

- Real time information across the network
- Customer information is a focus in all formats: at bus stops, shelters, bus stations & online
- Travel Information Centres
- We continue to provide and invest in customer service teams and telephone support

Bus Stations/Infrastructure £5.9m

- Management and Maintenance of 12 Bus stations, circa 12,000 stops and shelters
- Infrastructure Costs –cleaning, repairs, rates, CCTV, Electricity, routine maintenance
- Bus policy development options

Rail Services £4.9m

- Provision, management, on-going maintenance and operation of 45 Park and Ride sites, circa 9,100 spaces
- Delivery of TfWM Rail responsibilities including capital projects and industry engagement
- WMCA contribution to WMR Limited (a consortium of 16 local authorities) which has co-responsibilities with the DfT for managing the West Midlands Rail franchise

Metro Services £10.9m

- Subsidy and franchise assumptions continue to be reviewed in light of pandemic recovery

Safety and Security £2.8m

- Safer Travel police team, CCTV at Bus & Rail Stations including interchanges, CCTV control Centre

Business & Democratic Support £5.0m

- This covers the transport related element of support and overhead costs attributable to 16 Summer Lane, ICT, Legal, Procurement, Health & Safety, Equalities, Programme Management, Finance, Human Resources, & general business infrastructure & support

Strategic Development £4.8m

- Transport Team delivering plans for devolution, strategic economic plan proposals, developing business cases and related policy and strategy development.

Capital Finance Charges £10.2m

- Loan interest on existing loan book and anticipated future borrowing
- Past Pension costs and deficit funding arrangements

Network Resilience £3.2m

- Resource to work on managing congestion and mitigating impact of the wider transport investment programme
- Resource to assist in embedding the Key Route Network as part of an integrated transport system to support economic performance and keep people safe and well informed
- Costs associated with operating the RTCC (Regional Transport Coordination Centre)
- To deliver both agreed and emerging policies (e.g. Congestion Management Plan, Highways Investment Plan, Regional Road Safety Strategy)

Sustainable Travel £2.0m

- This represents the costs of Sustainable travel work within TfWM including the West Midlands Cycle charter, oversight of cycling strategy and investment across the West Midlands and delivery of the West Midlands Bike Hire project.

Transport Governance £0.1m

- This represents the cost of elected members related to the responsibilities of the Transport Delivery Committee

Proposed West Midlands Combined Authority Portfolio Budgets

Annex A – Employment and Skills

Annex B – Housing and Regeneration

Annex C – Economy & Innovation

Annex D – Culture and Digital

Annex E – Health & Communities

Annex F – Levelling Up

Annex G – Environment, Energy and HS2

Annex H – Inclusive Communities

Annex I – Central Funding & Recharges

Employment and Skills

Employment and Skills	2022/23 Budget £	2023/24 Budget £	Movement
Use of Reserves	90,000	77,681	(12,319)
Grants	143,144,300	152,176,084	9,031,785
Contributions from Third Parties	-	141,649	141,649
Investment Programme Funding	298,411	-	(298,411)
Total Income	143,532,711	152,395,415	8,862,704
Staff Costs	3,062,466	4,021,838	959,372
Training & Development	140,851,385	149,055,848	8,204,463
Promotions, Information and Initiatives	121,860	126,860	5,000
External Advice	1,113,531	803,966	(309,565)
Travel & Subsistence	10,826	17,151	6,325
Direct Recharges	78,027	82,105	4,078
Indirect Recharges	200,000	250,000	50,000
Total Expenditure	145,438,095	154,357,768	8,919,672
Net Expenditure	1,905,384	1,962,353	56,968

Housing and Regeneration Portfolio

Housing & Regeneration	2022/23 Budget £	2023/24 Budget £	Movement
Grants	1,454,688	1,843,764	389,076
Total Income	1,454,688	1,843,764	389,076
Staff Costs	1,630,515	2,154,784	(524,268)
External Advice	758,921	676,080	82,841
Utilities	-	211,369	(211,369)
Travel & Subsistence	3,609	2,758	850
Direct Recharges	(938,357)	(1,201,227)	262,870
Total Expenditure	1,454,688	1,843,764	(389,076)
Net Expenditure	0	0	0

Economy & Innovation Portfolio

Economy and Innovation	2022/23 Budget £	2023/24 Budget £	Movement
Grants	718,000	1,360,154	642,154
Investment Programme Funding	567,492	-	(567,492)
Use of Reserves	-	-	-
Total Income	1,285,492	1,360,154	74,661
Staff Costs	625,293	772,848	147,555
Contributions to Third Parties	1,001,500	1,931,074	929,574
Promotions, Information and Initiatives	77,325	77,325	-
External Advice	1,191,829	845,314	(346,514)
Governance Expenditure	-	-	-
Direct Recharges	-	50,000	50,000
Indirect Recharges	-	-	-
Total Expenditure	2,895,946	3,676,561	780,614
Net Expenditure	1,610,454	2,316,407	705,953

Culture and Digital Portfolio

Culture and Digital	2022/23 Budget £	2023/24 Budget £	Movement
Grants	-	-	-
Investment Programme Funding	-	272,050	272,050
Total Income	-	272,050	272,050
Staff Costs	63,196	193,904	(130,707)
External Advice	359,534	534,050	(174,516)
Total Expenditure	422,730	727,954	238,877
Net Expenditure	422,730	455,904	(33,173)

Health & Communities

Health and Communities	2022/23 Budget £	2023/24 Budget £	Movement
Grants	231,197	363,972	132,775
Other Income	-	-	-
Total Income	231,197	363,972	132,775
Staff Costs	959,929	1,137,136	(177,207)
Promotions, Information and Initiatives	5,500	28,000	(22,500)
External Advice	236,099	233,123	2,976
Travel & Subsistence	600	600	-
Other	-	-	-
Direct Recharges	-	-	-
Indirect Recharges	-	-	-
Total Expenditure	1,202,128	1,398,859	(196,731)
Net Expenditure	970,931	1,034,887	(63,956)

Levelling Up

Levelling Up	2022/23 Budget £	2023/24 Budget £	Movement
Grants	81,297	-	(81,297)
Use of Reserves	12,260	-	(12,260)
Total Income	93,557	-	(93,557)
Staff Costs	1,075,186	981,913	(93,272)
Contributions to Third Parties	1,200,000	625,000	(575,000)
External Advice	354,406	543,988	189,582
Promotions, Information and Initiatives	36,000	-	(36,000)
Indirect Recharges	-	-	-
Total Expenditure	2,665,592	2,150,901	(514,691)
Net Expenditure	2,572,035	2,150,901	(421,134)

Environment, Energy and HS2

Environment and Energy, HS2	2022/23 Budget £	2023/24 Budget £	Movement
Grants	-	-	-
Investment Programme Funding	941,528	739,175	(202,354)
Total Income	941,528	739,175	(202,354)
Staff Costs	1,121,191	934,033	(187,158)
Contributions to Third Parties	-	360,474	360,474
External Advice	717,995	790,474	72,479
Travel & Subsistence	-	-	-
Total Expenditure	1,839,186	2,084,981	245,795
Net Expenditure	897,658	1,345,806	448,149

Inclusive Communities Portfolio

Inclusive Communities	2022/23 Budget £	2023/24 Budget £	Movement
Grants	478,331	469,828	(8,503)
Use of Reserves	13,000	-	(13,000)
Total Income	491,331	469,828	(21,503)
Staff Costs	559,348	674,995	115,647
Contributions to Third Parties	403,425	315,656	(87,769)
Promotions, Information and Initiatives	25,775	28,628	2,853
External Advice	284,421	285,000	579
Travel & Subsistence	-	-	-
Other	2,062	-	(2,062)
Direct Recharges	-	10,000	10,000
Indirect Recharges	-	-	-
Total Expenditure	1,275,031	1,314,279	39,248
Net Expenditure	783,700	844,451	60,751

Central Funding & Recharges

Central Funding & Recharges	2022/23 Budget £	2023/24 Budget £	Movement
Grants	153,590	86,648	(66,942)
Investment Income	1,293,500	1,293,500	0
Business Rates Growth Income	-	7,326,431	7,326,431
Constituent & Non-Constituent Member fees	5,153,818	5,063,814	(90,004)
Other Income	-	-	-
Use of Specific Reserves	6,116,670	-	(6,116,670)
Total Income	12,717,577	13,770,393	1,052,816
Other	-	105,000	(105,000)
Indirect Recharges	3,554,684	3,554,684	(0)
Total Expenditure	3,554,684	3,659,684	(105,000)
Net Expenditure	(9,162,893)	(10,110,709)	947,816

APPENDIX 3 – PROPOSED ACTIVITY FOR 2023/24

The following High Level Deliverables are proposed in order to support delivery of the WMCA Aims and Objectives for 2023/24. Work will continue to finalise these ahead of inclusion in the Annual Business Plan which will be presented to WMCA Board in February 2023.

AIM	OBJECTIVE	DRAFT HIGH LEVEL DELIVERABLE
Aim 1: To promote inclusive economic growth in every corner of the region and stimulate the creation of good jobs		
1.1	We will drive growth by developing regional strategies and plans focussed on priority clusters, boosting innovation, and securing investment	Develop a broader regional economic policy to drive inclusive growth, co-ordination of policy & support the business taxation commission.
		Adoption, mobilisation, and delivery of P4G and P4G implementation plans (cross cutting interventions) - to include influencing funding allocations.
		Develop a strategic partnership with a tech firm to deliver a set of core deliverables on the digital economy.
		Deliver the Create Central business growth plan.
		Plan for Growth - Build a coherent and cohesive approach to cluster growth that aims to deliver across the economy - linking into wider policy and related economy goals
		Begin process of linking cluster approach into wider economy decisions (e.g., land, skills, investment) with WMCA and wider partners
		UKSPF - Business Support - Enable delivery by partners of successful first year in business support ecosystem, inc. establishment and oversight of WM-wide "core hub" activities with WMCA SPF Business Programmes
1.2	We will work with partners to create the optimum conditions for businesses to grow, by ensuring they have the support needed to start up, scale up and succeed	Deliver the WM Innovation Programme and Made Smarter West Midlands programme.
		Convene discussions with BEIS and partners to accelerate innovation programmes (or bodies) for the West Midlands.
1.3	We will invest in training and skills programmes that help our businesses grow and our citizens secure good jobs	Develop more AEB provision to align to plan for growth and to meet current and/or emerging skills needs - monitoring, managing and flexing provision as required
		Use available evidence to understand and respond to the labour market needs of the region
1.4	We will work with local authorities to support the role of culture and sport in making the region a good place to live, work, visit and invest	Align cultural activity across the region through support for the Cultural Leadership Board (sector) and Cultural Officers Group (LA, LEP, WMGC).
		Delivery of CDF Underspend Grant activity in the Black Country
1.5	We will ensure public and private investment opportunities such as HS2 & the Commonwealth Games, create good work opportunities for local people and more contracts for local businesses	Develop proposals and support business cases to increase public investment in culture, particularly in areas where cultural activity is lower

Aim 2: To ensure everyone has the opportunity to benefit as the region recovers from COVID-19, improves resilience and tackles long-standing challenges.

2.1	We will work with partners to give our communities access to training and employment support to secure and succeed in new opportunities	Create 10,000 starts on level 3 training provision
		Create 4,350 starts on level 3 bootcamps
		Create 5,000 starts on 'into employment' provision; 3,000 outcomes
		Develop 70% of L2/3 training aligned with sector plans
		Create 5,000 enrolments on basic skills provision
2.2	We will work with partners to identify and address the different barriers faced by our diverse communities	Support and develop the Coalition for Digital Inclusion
		Establish Life Chances Commission
		Conclude the Mental Health Commission and take forward the recommendations with internal and external partners.
		Convene partners to take action to address race inequalities through the Race Equalities Taskforce
		Support and develop the Young Combined Authority to deliver a programme of activity that puts young people's concerns at the heart of regional policymaking
2.3	We will support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners	Support and develop the Leadership Commission through a clear work programme which interfaces with other taskforces and commissions.
		Develop and deliver a work programme to promote and enhance an evidence-based approach to preventing and tackling health inequalities in the WMCA and amongst other regional partners.
		Continue to deliver and extend the Thrive into Work programme and move to embed it as business as usual in primary and community care.
		Continue delivery of Thrive-at-Work programme as it transitions to becoming a more self-sustaining and autonomous project
		Develop new approaches to social innovation in the region including exemplar initiatives, training opportunities and a cross-agency virtual team.
		Ongoing facilitation of the Homelessness Taskforce, Members Advisory Group and associated task groups, including by delivery of pilot activity, including looking at alternative funding models for preventative activity.
		Ongoing oversight of Housing First pilot, Rough Sleepers Accommodation Programme and Rough Sleeping Initiative, along with any other externally funded activity
		Deliver a Coalition on Trauma-Informed approaches, including implementing a regional vision, training framework and commissioning processes.
		Support a pilot programme of public sector leadership development with CIVIC and explore opportunities for wider roll-out.
		Develop collaborative projects with the Police and Crime Commissioner to help reduce crime and improve the criminal justice system

Aim 3: Connect our communities by delivering transport and unlocking housing and regeneration schemes		
3.1	We will deliver and operate a safe, accessible, affordable, reliable, and sustainable transport system together with our partners	Increasing the efficiency and performance of transport delivery in the West Midlands
		Fund essential supported services that provide a social benefit including concessions, ring and ride, and tendered bus services
		Develop and enhance frontline services and infrastructure that deliver high quality experiences that meet changing customer demands at TfWM facility, bus stations and interchanges.
		Ensure strategic and operational Health and Safety aims and key deliverables are communicated and embedded throughout the WMCA
		Creating and maintaining accurate and reliable public transport travel information including the requirements set out in the National Bus Strategy and Vision for Bus.
		Work in collaboration with Government, Operators and the wider rail industry to deliver better outcomes from today's railway
		Co-manage the West Midlands rail franchise, through West Midlands Rail Executive
		Managing the West Midlands Transport Network through improved coordination with the Regional Transport Co-ordination Centre
		Keep the transport system safe and secure
		Develop and enhancing the performance of the Key Route Network (KRN)
		Improving the financial, operational and asset performance of WM Metro to support metro services and network expansions
		Maintain & publish a West Midlands Local Transport Plan and embed transport policy and strategy in the plans and programmes of the wider WMCA & partners.
		Develop and maintain a deep understanding of the needs, attitudes and perceptions of people who use the West Midlands transport system
		Continue to develop and maintain a robust common data environment for the West Midlands transport system
		Analyse the transport system to provide deep insight, recommend actions and produce robust and funded evidenced based business cases for schemes and programmes
		Creating a system for easy to use and affordable payments to access the transport system
		Walking & Cycling Active Travel Behaviour Change Delivery. Deliver, monitor and evaluate 23/24 Behaviour change projects.
		New Behaviour Change Strategy to support and drive the work of the Behaviour Change Hub within Network Resilience
		Transport Network Resilience Plan
		Establish Drone Team
Develop a Framework that emphasises the importance of Transport for Event Organisers and Key Stakeholders		
Enhance Partnership Working with the Regions Local Resilience Forum		
3.2	We will build and develop transport infrastructure	Ensure the delivery of the CRSTS Capital Programme, including the TfWM Infrastructure programme

	that is sustainable, active, low-congestion and integrated with key projects like HS2	<p>Plan, deliver and operate the West Midlands Walking and Cycling Programme</p> <p>Delivering our bus vision and BSIP to support inclusive growth.</p> <p>Building and planning tomorrow's railways by delivering the Rail Investment Programme</p> <p>Extending the WM Metro Network to better serve more people and businesses delivering Westside (Edge), Wolverhampton City Centre, WBHE and Birmingham East Side extensions.</p> <p>Keeping the West Midlands Moving by mitigating the impacts of transport investment programmes through Travel Demand Management</p>
3.3	We will invest in and support housing and regeneration schemes, working closely with the private sector and local authorities to unlock and accelerate sustainable delivery	<p>Delivery of prescribed requirements, measures and output targets of the 2018 Housing Deal & subsequent funding deals and agreements with HMG</p> <p>Supporting Local Planning Authorities with evidence requirements for Local Plans and other policy requirements</p> <p>Develop and support Board approved policy development work e.g., Master-planning and West Midlands Design Charter</p> <p>Lead, manage and deliver the WMCA's' nationally leading brownfield regeneration, housing and land programmes</p> <p>Work closely with all local authorities across the WMCA and developers/ investors/ HMG agencies to develop a strong regeneration and development project and investment pipeline</p> <p>Organise and lead a series of industry led taskforces to provide critical insight, challenge, advocacy, and support to the work of the Housing and Land Board</p> <p>Lead WMCA Strategic Acquisitions, Disposals and Asset Management programmes</p> <p>Establish new and strengthen existing partnerships, ventures, and joint approaches with public and private sector partners across the whole of the region to deliver local priorities</p> <p>Support and enable Affordable Housing Delivery across the West Midlands including new partnerships and pilot approaches</p> <p>Deliver and submit compelling business cases for additional funding and support to the West Midlands from HMG</p> <p>Oversee and manage the development and delivery of the regional One Public Estate and Place Pilots Programmes</p>
3.4	We will support and deliver co-ordinated investment packages with our partners across key corridors and local, town, and city centres	<p>Produce the annual West Midlands Investment Prospectus and deliver associated partner engagement</p> <p>Support local authorities and other partners on policy, projects, funding bids and investment plans in town centres</p> <p>Lobby/engage with HMG on behalf of the region on a diverse range of housing, land and regeneration matters</p> <p>Lead the development and coordinate the delivery of a Single Property and Estates Strategy including a single asset register for the WMCA Estate</p> <p>Deliver a comprehensive programme supporting the effective implementation of the public land charter through collaborative working with the Cabinet Office, LGA, industry taskforces & local partners</p> <p>Leading the development and negotiation of the approved Housing and Land Board asks of the Trailblazer Devolution Deal</p>

		Developing Park & Ride assets to support better access to the transport system including making our transport assets more affordable by increasing commercial revenues
		Embedding, co-ordinating, and operationalising Inclusive Growth in the WMCA
		Develop Inclusive Growth web portal as a microsite on the WMCA website
		Putting Inclusive Growth in action by supporting local and regional partners to embed the approach in their work
		Inclusive Growth dashboard. Develop an interactive Inclusive Growth data dashboard

Aim 4: To reduce carbon emissions to net zero, enhance the environment and boost climate resilience		
4.1	We will work with partners to attract investment in and deliver programmes to support net zero development and infrastructure	Develop a system to measure and monitor progress on decarbonisation and other sustainability goals in the region with clear reporting to regional partners
		Promote green investment in the region working with partners to leverage commercial finance and co-investment in key investable propositions, building on research and development opportunities in the region
		Maintenance of net zero and environment data dashboard
		West Midlands Industrial Symbiosis project delivery
4.2	We will be national pioneers in advanced methods of construction, zero carbon housing and brownfield regeneration and delivery, informed by research at the National Brownfield Institute	Develop, lead and support the preparation of a landmark West Midlands Future Homes Strategy
		Deploy devolved Housing and Land Funds in accordance with the principles and targets of the approved AMC and Zero Carbon Homes Charters
4.3	We will convene partners to drive industrial decarbonisation and grow the low carbon and circular economy	Develop and implement the Circular Economy Route map priorities including an Industrial Symbiosis programme, Zero Carbon Construction Waste Hubs and wider enabling activities
		Develop and implement a programme of activities to rapidly reduce the Scope 1 and 2 carbon emissions of the WMCA including a scheme to decarbonise 16 Summer Lane and staff carbon literacy programme
		Lead and implement initiatives designed to build a sustainability legacy from the B2022 Commonwealth Games including Commonwealth Forest and Carbon Literacy programmes
		Work with partners on industrial decarbonisation and other initiatives to support regional businesses to decarbonise their operations including through the Net Zero Business Pledge
		WMCA Environment Plan: Y1 review - Produce 1 report on WMCA Environment Plan to SAB and CMT, covering the progress made since publication.
		Development of circular economy community toolkit
4.4	We will pioneer and embed transport innovations and drive	Delivering a step change in our Mass Transit Network (including Sprint and Metro delivery programmes) to unlock inclusive growth and tackle climate change

	behaviour change to reduce emissions, improve air quality, and enable the creation of green jobs	Develop and agree a strategy and target date to deliver a zero-emission bus fleet and supporting infrastructure across the West Midlands
		Create a strategic transport innovation eco-system by delivering the West Midlands Future Transport Zone programme
		Deliver a wide-ranging Net Zero Behaviour Change programme to citizens across the region including the development of a WM Net Zero Citizens' Panel
		Develop and deliver the agreed regional approach to tackling air pollution through the development of a Regional Air Quality Framework
		Air quality behaviour change campaigns
		Air quality framework delivery
4.5	We will work with partners to increase investment in nature and our surroundings	Develop and support the regional Climate Adaptation Strategy and identify and deliver key activities for the WMCA and our partners
		Support community partners to enhance access to quality green space through a Community Green Grants programme
		Implement activities to deliver the Natural Environment Plan including LNRA, Virtual Forest, project pipeline and WM In setting Fund
		WM Forest Partnership
		Support WMCA departments with WMCA Adaptation Plan delivery and work with regional organisations
		WM Walking Trail
		WMCA area adaptation pathfinder

Aim 5: To secure new powers and resources from central government, and demonstrate the strength of our regional partnership		
5.1	We will work with partners to understand their priorities, convene around shared opportunities, and deliver together	Develop and maintain a deep understanding of the principles and challenges of our local authority members through sustained engagement at multiple levels across organisations
		Convene community groups and the third sector to understand their experiences, amplify their voices and support shared endeavours on regional challenges
		Develop approach for the coordination of research, intelligence, analysis and data so that WMCA programmes and activities are evidence-based and measured, monitored and evaluated consistently against our outcome's framework
		Develop approach for RIAD coordination. Develop approach for the coordination of research, intelligence, analysis and data so that WMCA programmes and activities are evidence-based and measured, monitored and evaluated consistently against our outcome's framework
		Regional monitoring on key metrics. Develop a refreshed approach to regional monitoring of key metrics for the Mayor and the WMCA Board
		Influencing and engaging with regional ecosystem. Influencing and engaging to create a thriving regional research ecosystem by helping our partners succeed, training and developing data literacy and data skills

		Develop research programme. Design, develop and deliver research programme to coordinate and better commission and better connect research in a way that inspires action.
		Produce data and analytics development plan. Develop a data and analytics development plan with the aim to reduce duplication and enable reuse of data in line with our Digital Roadmap
		Develop a refreshed approach to regional monitoring of key metrics, to meet the needs of the Mayor and the WMCA Board, as well as the Economic Growth Board and local and regional partners
		Design, develop and deliver research programme to coordinate and better commission and better connect research in a way that inspires action.
		Develop a data and analytics development plan with the aim to reduce duplication and enable reuse of data in line with our Digital Roadmap
		Influencing other sectors to adopt the Inclusive Growth approach
5.2	We will work with central government to gain new powers and resources for the region, including double devolution	Make the case for local rail devolution to deliver better outcomes for a future railway
		Negotiate the further devolution of powers and flexibilities from central government
		Secure the resources needed for sustainable local and regional institutions and investment in priority projects through government budgets and funding streams
		Co-ordinating WMCA and regional responses to relevant fiscal events and government announcements
		Develop and deliver a co-ordinated regional approach to lobbying through the monthly Public Affairs Network
		Establish commitment to further devolution of powers and funding to MCA's by developing post-TDD Long term lobbying strategy

Aim 6: To develop our organisation and our role as a good regional partner		
6.1	We will deliver as one organisation with a collaborative and inclusive culture, underpinned by best in class enabling services	Implement new ways of working
		Balanced revenue budget for 2023/2024
		Manage and deliver modern high-class FM and Business Support services for WMCA and its estate tenants
		Manage and deliver high quality fit for purpose asset management and income generation services with the necessary supporting systems, data and information
		Coordinate engagement with MPs and partnerships with Local Authority partners across senior stakeholders, providing clarity on our aims and the WMCA role. Identify opportunities where this engagement can provide support and advocacy for WMCA priorities
6.2	We will drive cultural change to embed new hybrid and agile ways of working	Manage and deliver hybrid and agile working programmes and associated policy changes across the WMCA
		Deliver and coordinate investment in the modernisation and improvement of 16 Summer Lane to support business needs

		Lead on Business Continuity planning and delivery of HQ Emergency Response Plan
		Implement space & services strategy
6.3	We will ensure our workforce have the skills and competencies to deliver our strategy	Develop the Business Partnering approach
		Develop training & development programme
6.4	We will empower our organisation through digital-first and data enabled ways of working across all our activity	Improve/integrate our digital architecture
		Modernise our technology
		Protect and manage our infrastructure
		Enhance digital experience & interaction
6.5	We will provide leading support for a diverse workforce and demonstrate excellent equality and diversity practice	Develop our "employer offer"
		Support Health & Wellbeing
		Build Staff competencies
		Improve our Workforce data
6.6	We will involve citizens with our work to put their views at the heart of our planning, decision making and delivery	Develop and support a varied portfolio of citizen engagement activity across the WMCA to ensure decisions are shaped by citizens and that our policies, practices, and investments deliver real value for everyone living and working in the region
6.7	We will deliver through clear and effective governance and performance management that supports good, timely, and transparent decision making and the best use of public funds	Support delivery of key business projects
		External legal and procurement case management system
		Support Business Cases through SAF

APPENDIX 4 - Transport Capital Programme

TRANSPORT CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Investment Programme - Metro	Metro Wednesbury to Brierley Hill Extension	69.2	131.1	48.0	67.7	-	316.0
	Metro Centenary Square Extension	0.6	-	-	-	-	0.6
	Metro Birmingham Eastside Extension	57.1	65.1	18.9	4.0	-	145.1
	Metro Edgbaston Extension	6.4	-	-	-	-	6.4
	Metro Network Enhancements	2.6	3.2	0.3	0.2	0.2	6.5
	Wolverhampton Metro Extension	8.4	0.3	-	-	-	8.7
	Buy Before Boarding	2.1	5.6	1.0	0.1	0.6	9.4
	Metro Enabling and Other Works	3.9	0.2	-	-	-	4.0
Investment Programme - Rail	Rail - Camp Hill Line Local Enhancements (Package 2)	31.4	20.2	0.7	-	-	52.3
	Rail - Walsall to Wolverhampton Local Enhancements (Package 1)	10.5	29.7	3.0	-	-	43.2
	Rail - Sutton Coldfield Gateway	0.0	1.3	5.0	15.0	-	21.3
Investment Programme - Sprint	Sprint - Hagley Road Phase 1	2.3	1.7	-	-	-	3.9
	Sprint - Longbridge to Birmingham	0.2	-	17.2	11.7	13.4	42.5
	Sprint - Hall Green to Interchange via Solihull	0.2	-	7.3	5.7	18.8	32.0
	Sprint - Hagley Road Phase 2	0.2	-	11.2	11.2	32.2	54.8
	Sprint - Sutton Coldfield to Birmingham	-	-	25.9	-	-	25.9
INVESTMENT PROGRAMME TOTAL	195.1	258.3	138.3	115.7	65.2	772.6	
Other Major Programmes	Sprint - A45 Birmingham to Airport and Solihull	13.8	1.0	-	-	-	14.8
	Sprint - A34 Walsall to Birmingham	7.7	0.6	-	-	-	8.3
	University Station Improvement Project	19.6	1.3	-	-	-	20.9
	Perry Barr Rail Station	7.7	-	-	-	-	7.7
	Regional Traffic Control Centre	6.5	2.1	-	-	-	8.6
	Perry Barr Mitigation Package	0.0	0.2	-	-	-	0.3
	Birchley Island - Sandwell MBC	0.5	-	-	-	-	0.5
	Commonwealth Games Public Realm - Local Authority	0.6	-	-	-	-	0.6
	Dudley Interchange	1.1	1.9	16.2	0.0	-	19.2
	Cross City Bus - City Centre & Druids Heath	0.6	9.6	11.8	-	-	22.0
	Coventry City Electric Bus	16.2	24.9	2.4	0.1	-	43.6
	Zero Emission Bus Regional Area (ZEBRA)	-	30.4	-	-	-	30.4
	Future Mobility Zone	5.9	2.5	-	-	-	8.3
	Other Works	0.6	-	-	-	-	0.6
OTHER MAJOR SCHEMES PROGRAMME TOTAL	80.7	74.4	30.4	0.2	-	185.6	
Minor Works Programme	A435 Alcester Rd Bus Priority Revitalisation	0.5	0.7	-	-	-	1.2
	Strategic Transport Officer Group Top Slice	0.1	0.2	-	-	-	0.3
	Priority One Development Schemes	0.6	0.5	-	-	-	1.0
	Tackling Nitrogen Dioxide	0.2	-	-	-	-	0.2
	Asset Management Programme	2.0	0.1	-	-	-	2.1
	M6 Toll - In Vehicle Messaging	0.7	0.3	-	-	-	1.0
	Air Quality	0.6	0.4	-	-	-	1.0
	Other Works	1.9	0.2	-	-	-	2.1
MINOR WORKS PROGRAMME TOTAL	6.6	2.3	-	-	-	8.9	
Grants to Local Authorities Programme	Active Travel Fund- Tranche 3	0.7	16.6	-	-	-	17.3
	Priority 1 Delivery- Perry Barr- Sutton Coldfield	0.1	1.2	0.2	-	-	1.5
	Priority 1 Delivery- A45 Coventry Road Birmingham	0.1	2.9	1.5	-	-	4.5
	Priority 1 Delivery- Binley Road Coventry	4.6	-	-	-	-	4.6
	Priority 1 Delivery- WTBH Metro Corridor Access Improvements	0.6	0.5	-	-	-	1.0
	B4106 Spon End - Coventry CC	1.0	-	-	-	-	1.0
	New St/High St/Victoria Sq Public Realm - Birmingham CC	2.1	-	-	-	-	2.1
	MRN-A4123 Corridor -A4150 Ring Road to A456 Hagley Road	0.2	0.2	-	-	-	0.4
	MRN - M5 J1 - Sandwell	0.0	0.2	-	-	-	0.3
	MRN-Cov North Package Link M6	0.0	0.2	-	-	-	0.2
	MRN-A452 Balsall Common Bypass	0.4	0.1	-	-	-	0.5
	Major Road Network- A454 Wolverhampton to Neachells	0.4	-	-	-	-	0.4
	Major Road Network-A449 Stafford Rd M54 J2 to A4150 Ring Road	0.5	-	-	-	-	0.5
	Major Road Network- A46 Link Road Ph3 Coventry	0.3	-	-	-	-	0.3
	Major Road Network - A461	0.8	-	-	-	-	0.8
	MRN-A4540 Bham Middleway -Eastside	0.7	-	-	-	-	0.7
Other Works	1.2	-	-	-	-	1.2	
GRANTS TO LOCAL AUTHORITIES PROGRAMME TOTAL	13.4	21.8	1.7	-	-	36.9	
TRANSPORT TOTAL	295.8	356.9	170.4	115.8	65.2	1,004.1	

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

The report recommends **WMCA Board Approve the first year (2022/23) of the indicative WMCA Capital Programme** as set out in this appendix and that WMCA Board note the indicative onward programme from 2023/24 onwards.

The final 2023/24 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.

APPENDIX 5 – Housing and Land/Other Capital Programme

HOUSING AND LAND CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
IP Land	Brownfield Land & Property Development Fund (BLPDF)	4.2	4.9	0.7	0.8	0.0	10.8
Remediation	LPIF (Black Country Consortium)	21.4	15.1	0.1	0.1	-	36.7
Land Fund	Land Fund - Simon Digby	-0.0	0.6	1.8	0.6	-	3.0
	Land Fund - Stone Yard	0.0	1.0	0.0	1.0	0.0	2.1
	LF - Abbotts Lane	2.2					2.2
	Land Fund - Aga	-	0.0	0.4	0.4	0.4	1.1
	Land Fund - Portersfield	0.1	0.6	0.3	3.8	1.4	6.1
	Land Fund - Fountain Lane	0.9	0.9	0.6	-	-	2.3
	Land Fund - Brierley Hill	0.2					0.2
	Land Fund - Port Loop phase 3 & 4	0.6	2.7	0.0	0.0	-	3.3
	Land Fund - Culwell St	1.8	2.3	1.2	0.1	-	5.3
	Brownfield Land - Pipeline	2.0	24.8	43.6	33.7	15.4	119.4
	Woodend Henley Manor Farm	0.9	0.2	-	-	-	1.1
	Brownfield Land - Phoenix Park	0.8	1.7	-	-	-	2.6
	Brownfield Land - Murdoch and Pitman	0.3	1.1	0.2	0.2	-	1.8
	Brownfield Land - Black Country Lvg Museum	0.7	0.0	0.0	-	-	0.7
	Brownfield Land - Globe House	0.4	0.2	-	-	-	0.6
	Brownfield Land - Erdington Baths	0.0	0.7	1.4	0.0	-	2.1
	National Competitive Fund - Pipeline	-	0.4	4.4	9.5	1.8	16.1
	National Competitive Fund - West Longbridge	2.1	0.0	0.0	0.0	0.0	2.2
	Land Fund - Dobbs Street	0.0	0.1	0.2	0.2	-	0.6
	Land Fund - Lioncourt	0.4	0.2	-0.0	-	-	0.5
	Land Fund - Friar Park	0.4	0.1	0.0	4.5	0.0	5.0
	Land Fund - Pipeline	0.4	8.6	6.3	6.2	4.6	26.1
	Land Fund - Abberley Street	0.1	0.5	0.0	0.0	0.0	0.5
	Land Fund - Cranford Way	0.1	0.1	0.1	-	-	0.2
	Land Fund - Caparo	0.8	0.4	0.5	0.0	-	1.7
	Land Fund - Icknield Port Loop Phase 2a and 2b	2.7	0.0	0.0	0.0	-	2.7
	Land Fund - Cookley Works	0.2	0.5	-	-	-	0.8
Land Fund - Other	0.0	0.1	0.1	0.1	0.1	0.3	
HOUSING AND REGENERATION PROGRAMME TOTAL		43.5	67.9	61.8	61.1	23.6	258.0
OTHER CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Other	5G	1.1	-	-	-	-	1.1
	Social Housing Decarbonisation	6.2	-	-	-	-	6.2
Net Zero	Sustainable Warmth Competition	2.6	-	-	-	-	2.6
	Net Zero Neighbourhood - Capital	0.2	1.1	0.4	-	-	1.7
OTHER TOTAL		10.1	1.1	0.4	-	-	11.5

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

*The report recommends **WMCA Board Approve the first year (2023/24) of the indicative WMCA Capital Programme as set out in this appendix and that WMCA Board note the indicative onward programme from 2023/24 onwards.***

The final 2023/24 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.

APPENDIX 6 – Investment Programme Grants to Local Authorities

INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIES CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
IP Grants to Local Authorities	Coventry City Centre South Regeneration - City Centre	7.1	52.7	7.1	17.4	-	84.3
	Coventry City Centre South Regeneration - Friargate	25.0	2.9	-	-	-	27.9
	Coventry UKC Plus - Coventry South Package	6.7	30.5	23.4	26.7	14.4	101.6
	Coventry UKC Plus - Coventry North Package	-0.0	4.0	11.3	6.2	-	21.4
	UK Central Infrastructure Package - Programme Total	7.1	42.8	51.9	45.9	32.2	179.8
	UK Central HS2 Interchange - Programme Total	10.5	8.7	61.4	52.6	42.5	175.8
	CoW Technical Centre	6.7	0.9	0.1	-	-	7.8
	Coventry Station Masterplan	2.7	-	-	-	-	2.7
	Coventry - Future schemes to be scoped	-	-	5.9	18.8	15.0	39.7
	Other Schemes	0.1	0.0	-	-	-	0.1
IP GRANTS TO LOCAL AUTHORITIES		65.8	142.5	161.2	167.5	104.0	640.9

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

*The report recommends **WMCA Board Approve the first year (2022/23) of the indicative WMCA Capital Programme as set out in this appendix and that WMCA Board note the indicative onward programme from 2023/24 onwards.***

The final 2022/23 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.

APPENDIX 7 – City Region Sustainable Transport Settlement

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
City Region Sustainable Transport Settlement Programme	GRANTS TO LOCAL AUTHORITIES						
	Highway Maintenance						
	Coventry City Council	4.1	4.1	4.1	4.1	4.1	20.4
	Dudley Council	4.5	4.5	4.5	4.5	4.5	22.4
	Sandwell Council	4.7	4.7	4.7	4.7	4.7	23.7
	Solihull Council	3.9	3.9	3.9	3.9	3.9	19.4
	Walsall Council	3.6	3.6	3.6	3.6	3.6	17.8
	Wolverhampton City Council	3.3	3.3	3.3	3.3	3.3	16.6
	Subtotal	24.1	24.1	24.1	24.1	24.1	120.4
	Local Network Improvement Plan						
	Birmingham City Council	6.3	6.3	6.3	6.3	6.3	31.3
	Coventry City Council	2.0	2.0	2.0	2.0	2.0	10.2
	Dudley Council	1.8	1.8	1.8	1.8	1.8	8.8
	Sandwell Council	1.8	1.8	1.8	1.8	1.8	9.0
	Solihull Council	1.2	1.2	1.2	1.2	1.2	5.9
	Walsall Council	1.6	1.6	1.6	1.6	1.6	7.8
	Wolverhampton City Council	1.4	1.4	1.4	1.4	1.4	7.2
	Subtotal	16.0	16.0	16.0	16.0	16.0	80.2
	Grants to Projects						
	CRSTS - IG - Smethwick - Birmingham Corridor Transport Package	0.3	0.8	4.0	8.0	6.0	19.0
	CRSTS - IG - East Birmingham to Solihull Corridor	0.1	1.4	6.0	9.5	8.0	25.0
	CRSTS - IG - Chester Road Segregated Cycleway and Capacity		0.2	0.8	2.0	3.8	6.8
	CRSTS - IG - Active Travel - A45 Segregated Cycleway		5.6	8.0	0.7	-	14.3
	CRSTS - IG - Wolverhampton CC Walk, Cycle and Bus Package		5.5	4.0	-	-	9.5
	CRSTS - IG - A454 Walk, Cycle and Bus Corridor	0.1	1.3	3.1	6.4	7.5	18.2
	CRSTS - IG - BCW Access: Darlaston and Willenhall Train Stations	0.2	0.1	2.7	-	-	3.0
	CRSTS - IG - WBHE: Sustainable Access Measures		4.5	5.0	6.5	-	16.0
	CRSTS - CoP - Very Light Rail Phase 2	7.2	20.9	22.3	5.6	15.6	71.5
	CRSTS - CoP - Sutton Coldfield Gateway	0.2	0.5	2.5	10.8	11.0	25.0
	CRSTS - CoP - Solihull Station Integrated Transport Hub		0.8	1.3	1.5	1.5	5.0
	CRSTS - CoP - UKC - Dorridge Bus Priority		0.5	1.0	1.5	2.0	5.0
	CRSTS - CoP - Snow Hill Growth Strategy		-	3.9	1.2	-	5.0
	CRSTS - HSaS - A38 Selly Oak to Longbridge Segregated Cycling	0.1	0.5	13.4	0.5	-	14.5
	CRSTS - HSaS - City Centre Active Travel to Interchange	0.1	8.0	2.2	9.7	-	20.0
	CRSTS - HSaS - One Station and Smallbrook Queensway	0.1	0.5	2.0	6.4	1.0	10.0
	CRSTS - HSaS - Black Country Walking and Cycling Package		2.0	2.0	2.0	2.0	8.0
	CRSTS - HSaS - Dudley Interchange Sustainable Connectivity		-	1.0	3.0	3.5	7.5
	CRSTS - HSaS - Dickens Heath to Solihull Town Centre LCWIP		1.1	9.2	-	-	10.3
	CRSTS - HSaS - Knowle to Solihull Town Centre LCWIP		1.0	7.0	-	-	8.0
	CRSTS - HSaS - Stourbridge TC Sustainable Connect Package		-	0.8	1.6	0.6	3.0
	CRSTS - CRNaC - Multi-modal Access HS2		0.3	0.8	2.0	2.0	5.0
	CRSTS - CRNaC - Foleshill Transport Package	1.0	3.5	-	-	-	4.5
	CRSTS - CRNaC - A461 Walking, Cycling and Bus Corridor	0.1	1.6	23.3	-	-	25.0
	CRSTS - CRNaC - A41 Mox IP Wal TC WCB Corr	0.0	0.5	0.5	8.0	10.0	19.0
	CRSTS - CRNaC - A4123 Walk, Cycle and Bus Corridor	0.2	1.8	7.0	10.0	10.1	29.0
	CRSTS - CRNaC - A449 Walk, Cycle and Bus Corridor		1.5	3.5	3.0	-	8.0
	CRSTS - CRNaC - BCW Access: Walsall Town Centre Interchange		-	0.3	0.4	0.4	1.0
	CRSTS - CRNaC - West Coast Mainline M42 bridge		0.5	0.8	1.8	2.0	5.0
	CRSTS - DaGR - Cov South Sustainable Transport (GIGA Factory)	0.5	8.0	8.5	-	-	17.0
	CRSTS - DaGR - ULEV Black Country		3.5	3.5	-	-	7.0
	CRSTS - Data Scheme Development Support		1.7	1.7	1.7	1.7	7.0
	Subtotal	10.1	77.9	151.8	103.7	88.6	432.1
	PROJECTS DELIVERED BY TFWM						
	Projects introduced within CRSTS Programme						
	Rail Development		0.5	0.8	0.8	0.9	3.0
	Aldridge Station	0.2	1.3	3.0	5.5	20.0	30.0
	Dudley Port Integrated Transport Hub	0.2	1.1	1.1	-	-	2.4
	Demand Responsive Bus		2.5	3.0	4.5	-	10.0
	BSIP Retrofit Programme		3.0	-	-	-	3.0
	Park and Ride Tile Hill and Whitlocks End		3.0	1.0	0.5	-	4.5
BSIP Bus Priority Cross City Routes	0.3	4.0	15.4	25.9	13.4	59.0	
Mobility Hubs and E Bikes		3.3	2.3	3.1	-	8.6	
Swift cEMV contactless payment broker	2.2	6.5	5.0	4.1	0.3	18.0	
Ultra Rapid Charging Transit Stations		14.0	-	-	-	14.0	
ULEV		3.1	2.6	-0.7	-	5.0	
Metro Line 1 Renovation	2.3	22.2	5.5	-	-	30.0	
Metro Wednesbury Depot Upgrades	2.0	21.4	14.6	-	-	37.9	
Metro Traction Power Phase 2	0.2	6.4	5.9	-	-	12.6	
A45 Bham to Solihull - Phase 2	2.4	10.2	9.4	3.4	-	25.4	
A34 Walsall to Bham - Phase 2	3.6	11.4	10.7	4.9	-	30.6	
Hagley Road Rapid Transit	0.1	4.9	5.0	10.0	5.0	25.0	
Subtotal	13.5	118.8	85.3	62.0	39.6	319.1	
SUBTOTAL TRANSPORT CAPITAL PROGRAMME - CRSTS	63.8	236.7	277.2	205.8	168.3	951.7	
Reconciliation with £1.050bn CRSTS settlement						As in Table 7	
Other TFWM projects funded from CRSTS							
WMCA Local Network Improvement Plan	5.5	5.5	5.5	5.5	5.5	27.3	
Transforming Cities Fund 2	71.5					71.5	
Match funding							
Metro Wednesbury Depot Upgrades	-0.5					-0.5	
CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME	140.2	242.2	282.6	211.2	173.8	1,050.0	

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

*The report recommends **WMCA Board Approve the first year (2022/23) of the indicative WMCA Capital Programme** as set out in this appendix and that WMCA Board note the indicative onward programme from 2023/24 onwards.*

The final 2022/23 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position

APPENDIX 8 – MAYORAL Q&A



**West Midlands
Combined Authority**

Overview & Scrutiny Committee

Thursday 15 December 2022 at 10.00 am

Minutes

Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Martin McCarthy	Solihull Metropolitan Borough Council
Councillor Lauren Rainbow	Birmingham City Council
Councillor Paul Sweet	City of Wolverhampton Council
Councillor Jamie Tennant	Birmingham City Council
Amanda Tomlinson	Black Country Local Enterprise Partnership
Councillor Vera Waters	Walsall Metropolitan Borough Council

In Attendance

Dan Essex	Governance Services Manager
Linda Horne	Executive Director of Finance and Business Hub
Lyndsey Roberts	Scrutiny Officer
Laura Shoaf	Chief Executive
Andy Street	Mayor of the West Midlands
Councillor Bob Sleight	Portfolio Lead for Finance

Item No. Title

- 101. Welcome and Introductions**
The Chair welcomed the Mayor, Portfolio Lead for Finance and members of the committee to the second mayoral question time for 2022/23 that would be focussing on the proposed draft 2023/24 budget.
- 102. Apologies for Absence**
Apologies for absence were received from Councillor Akhtar (Coventry), Councillor Burrow (Solihull), Councillor Chalk (Worcestershire), Councillor Fenton (Sandwell), Councillor Lumby (Shropshire) and Councillor Sutherland (Staffordshire).
- 103. Questions to the Mayor and the Portfolio Lead for Finance from Members of the Committee**
The committee pursued a number of general lines of enquiry with the Mayor and the Portfolio Lead for Finance, including the sustainability of the budget, the investment programme, the trailblazer devolution deal and transport.

With regards to a mayoral precept, whilst the reasons for choosing not to set a precept during the mayoral term was recognised, the committee considered that the collective decision made not to support the introduction of a precept had had an impact on the sustainability of the WMCA's budget. In terms of the trailblazer devolution deal, it was acknowledged that the decision not to set a precept could affect negotiations with Government, however this decision had been weighed against the economic pressures on individuals paying taxation.

The Mayor and Portfolio Lead for Finance answered questions in relation to the Government's financial support packages for bus and light rail, redistribution of taxes, capital investment for longer term transport strategies to improve connectivity, reliability and public transport times, financial challenges for existing and future supported transport policies, patronage levels, subsidised routes and criteria, value for money and the West Midlands Growth Company.

In terms of train services, in particular the Aldridge route, the Mayor explained that this route would be funded through the City Region Sustainable Transport Settlement and its business case had yet to be approved. In addition, the latest position with regards to the delivery of HS2 and the benefits of the introduction of the car park located in Solihull was also noted.

The committee questioned whether there were any constraints within the budget that might have an impact on the WMCA's net zero targets. Whilst the WMCA continued to make good progress in terms of the reduction in transport emissions, addressing the energy efficiency of homes was a challenge in terms of resource. In addition, members explored the potential for new builds to be carbon neutral and how the WMCA could influence this.

To enable scrutiny members to hold those responsible to account, members sought assurances that 'accountability' was embedded within the WMCA's Single Assurance Framework. There were a number of areas where accountability was built in, and members were assured that public dashboards were available that demonstrated the outputs achieved.

In terms of the work undertaken on the proposed investment zones, the Mayor explained how this work would be utilised for future 'levelling up zones' and would be of value for future projects for the region.

Recommended:

The following observations be shared with the Mayor and WMCA Board for consideration and response:

(1) Regional Role in Energy Efficiency

Members expressed their concerns on the cost of energy and the impact that this had on the economy. There was a need to seek the introduction of alternative solutions, for example energy turbines.

(2) Investment Portfolio

The committee questioned whether the WMCA was generating economic growth in specific areas, especially given the disparity of investment

(3) Greater Scrutiny - Arms' Length Companies and the Delivery of Outputs

The committee considered that there needed to be a greater focus on the outputs generated through investments and a greater scrutiny focus on arms' length companies and the outputs delivered for the region.

(4) Carbon Neutrality

The committee stressed the importance of the work being undertaken to achieve carbon neutrality on projects that the WMCA was supporting.

04. Date of Next Meeting

Thursday 12 January 2023 at 10.00am

The meeting ended at 12.00 pm.

This page is intentionally left blank



WMCA Board

Date	13 January 2023
Report title	Financial Monitoring Report 2022/23
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk tel: (0121) 214 7444
Accountable Employee	Linda Horne, Executive Director of Finance and Business Hub email: linda.horne@wmca.org.uk tel: (0121) 214 7508
This report has been considered by	SLT – 4 January 2023 WM FDs – 5 January 2023

Recommendation(s) for action or decision:

WMCA Board is recommended to:

- (1) Note the financial position as at 30 November 2022, as detailed in Sections 2 and 3.
- (2) Note the latest full year forecast for 2022/23 as detailed in Section 4.
- (3) Note the Bus Service Improvement Plan funding update and receipt of the first payment of £18.4m. (Section 5)
- (4) Note the grant award of £0.32m from Innovate UK (part of the UK Research and Innovation) for Innovation Accelerator. (Section 6)
- (5) Note that the Government has now approved the WMCA's plans for investment of the £88m UK Shared Prosperity Fund, covering the 3 years to 2025. (Section 7)
- (6) Delegate authority to WMCA S151 Officer in conjunction with the Executive Director of Economic Delivery, Skills and Communities and the Monitoring Officer to accept any funds awarded as a result of the Bootcamp Wave 4 bid for as detailed in Section 8, and to enter into the various funding agreements and contracts required to enable delivery of the programme.
- (7) Note the WMCA Adult Education Budget rate uplift of 10% that has recently been approved by the Executive Director of Finance and Business Hub (Section 151 Officer) in accordance with WMCA's approved scheme of delegation (Section 9). The rate uplift can be contained within the existing approved budget for 2022/23.

1.0 Purpose

1.1 To provide an update on the Combined Authority's finances as at 30 November 2022.

2.0 2022/23 Year to Date Revenue Position

2.1 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority.

2.2 The position at the end of November is a surplus of £1.136m which is a minor favourable variance from budget of £0.026m.

2.3 Within Transport there is a surplus at the end of November of £1.804m which represents an adverse variance from budget of £0.6m. The most notable variances relate to Concessions where expenditure is less than budget due to lower patronage and fare levels and within the Metro budget where Local Transport Fund (LTF) grant has now been received. The favourable position to date is expected to be largely offset by the full year due to an increase in the Metro subsidy requirement and also to reflect the risk in relation to the bus network in the last quarter of the year.

2.4 The figures for Transport include the income received as part of the liquidation process for Accessible Transport Group Contract Services Ltd (ATGCS) and Ring and Ride West Midlands Ltd, a total of £276.2k (ATGCS £244.7k and Ring and Ride £31.4k). These are sums payable to date against a total claim of £2.0m following the company wind-up. The original sums were fully recognised in prior financial years in acknowledgement of the risk of non-recovery. The £277k now received is therefore additional income to this year's revenue budget.

2.5 Within the Portfolio budgets there is a favourable variance of £0.6m due to savings against staffing as a result of vacancies and external advice across several budgets.

2.6 The Mayoral Office position as at the end of November 2022 was in line with budget.

2.7 Appendix 1 shows the overall consolidated revenue position for the WMCA and appendices 2 to 4 present the detailed summaries for Transport, the WMCA Delivery budget and the Mayoral office respectively.

3.0 2022/23 Capital Programme Position

3.1 Appendix 5 sets out the position on the Capital Programme as at the end of November 2022. Actual costs totalled £232.1m, resulting in a favourable variance of £131.6m against budget.

3.2 The year to date expenditure to budget variance is primarily contained within Transport (£78.6m) and Housing (£27.6m).

3.3 The Transport Programme has been categorised into six sub programmes. The largest of these is the Investment Programme with a full year budget of £205.3m, including all the Rail/Sprint & Metro extension schemes.

3.4 At the end of November, actual costs for the Investment Programme are £35.2m below the budget of £130.1m. The main variances are within the Metro Programme totalling £24.2m and the Rail Programme totalling £10.8m.

- 3.5 Within Housing, the variance largely relates to the Brownfield Housing Fund Pipeline where several projects due to commence have not done so yet due to the current economic climate, these include Lionell Street (£5m), Telford Station (£2.4m) and Ladywood (£1.5m). In addition, the work is expected to accelerate in the quarter 4 on the Phoenix 10 scheme within the Black Country Land and Property Investment Fund (£5.7m).
- 3.6 As reported to December Board, the progression of a number of capital schemes and their associated expenditure profiles has been impacted by hyperinflation, supply chain issues in both materials and labour, increased costs of construction including energy and associated pricing. The WMCA is continuing to work with its supply chains and taking other steps, including descoping and value engineering of projects, to keep the impacts of the above matters to a minimum, although this is becoming an increasing challenge. It is anticipated that these impacts will continue to varying degrees into the future in respect of expenditure within 2022/23 and beyond and has potential to impact both in train and future delivery across both WMCA and local authority delivered projects. The report on the pressures within the capital programme taken to the December WMCA Board included the recommendation that three specific project overall spend would be increased up to the value of £17.8m. The transactions to give effect to this decision will be actioned accordingly in January 2023. Risks in relation to this issue continue to be actively and closely monitored so that any project risks are understood as soon as possible to allow mitigations and solutions to be developed as required.
- 3.7 Further detail against the year to date and full in year spend against the Authority Capital Programme is available in Appendix 5.

4.0 Revenue and Capital Full Year Forecast Update

- 4.1 The second forecast for 2022/23 was completed in October 2022. The forecast presents the updated view of the profile and cost of delivering activities over the remaining six months of the financial year, as well as the latest position on central government transport funding, Midland Metro Limited costs, rising energy costs and interest rates impact.
- 4.2 The position reflects the bus funding (Local Transport Funding, Network Stabilisation Fund and Network Planning Fund) which were previously reported, and the corresponding expenditure to operators up to November 2022. Government has announced that some additional targeted funding support for operators and Local Transport Authorities will be in place between 1st January 2023 to the end of March 2023. WMCA is awaiting further details on this.
- 4.3 In the interim WMCA will continue to pay concessions at pre pandemic budget levels until March 2023 to support network stability to this date. As noted in 2.3, there are year to date savings within the concession budget. In recognition of the risks, the year to date savings have been moved to the transport risks reserve.
- 4.4 The revenue position for the full year forecasts a surplus of £0.7m, which is an improvement on the previous forecast by £0.3m. The key movements within the full year position reflects an increase in the costs of £0.8m for tram repairs and £0.9m of cost pressures within services. This increase has been offset by favourable movements across staffing budgets due to vacancies.
- 4.5 The capital forecast shows a favourable movement of £107.5m from the budget largely in relation to CRSTS (£16.3m), Grants to Local Authorities (Transport £23.4m and Investment Programme £17.9m) and the Housing Programme (£21.6m). The CRSTS budget reflects the

most up to date information on delivery. The previous report indicated that the general increase in mortgage rates, construction cost inflation, energy costs, market uncertainty and withdrawal of mortgage products during 2022 and going in to 2023 could contribute to a more challenging environment for bringing housing and regeneration sites to market, planned starts on site and drawdown of capital funding. This is reflected in the latest capital spend figures for schemes seeking WMCA housing and regeneration grant investment. Progression of Housing, land and regeneration schemes needing WMCA funding has been more challenging over recent months in these wider economic circumstances, with some schemes being delayed by project sponsors due to escalating construction and other costs or the schemes themselves being reappraised and revised by applicants. This position will be kept under close review throughout 2023.

- 4.6 There has been ongoing engagement with grant providers in respect of the slippage in the capital programme to minimise risk of any grant clawbacks.
- 4.7 In November it was confirmed that the unions had accepted the pay award made by the National Joint Council (NJC) to local government employees. The main points of the offer are a one year pay offer from 1 April 2022 of £1,925 on all pay points and 4% increase on allowances. The year to date and the outturn position includes an estimate of the increased pay expenditure, expected to be around £1.3m above budget for the full year.
- 4.8 A re-forecast will be done for quarter 3 in January 2023 and formally reported to the Board in March 2023. Based on current information, it is not anticipated that there will be material changes.

5.0 Bus Service Improvement Plans (BSIP) funding

- 5.1 Following approval of the Enhanced Partnership, DfT has confirmed the first instalment of the £88m BSIP funding. This will be paid in three instalments with the first instalment of £18.4m being expected by the end of December 2022. The allocations for Years 2 and 3 are dependent upon successful performance against approved BSIP objectives so there is an inherent risk that some funding will be withheld should performance objectives fail to be met. Some of the funding will be used to support tendered contracts which will last from 1st January 2023 to 31st March 2025. If grant were to be withheld, it will result in an increased financial burden on the Levy for the remaining life of these contracts. This risk will be managed by close monitoring of the programme and maintaining close and regular communication with the DfT to ensure that they are aware of progress. It is currently not anticipated that any costs will fall to the Levy but as the grant is conditional on progress throughout the life of the programme, this will remain a risk for the duration of the BSIP.

6.0 Innovate UK grant

- 6.1 The West Midlands was one of three areas in the country chosen to develop an Innovation Accelerator. Launched as part of the Levelling Up White Paper, Innovation Accelerators will support businesses and research in the West Midlands region with a share of £100m of Government funding (split £33m each to the regions of WMCA, Manchester and Glasgow). The Innovation Accelerator builds on manufacturing and engineering expertise to assist with delivering a high-growth, high-wage economy. The WMCA has received an allocation of £320k to fund the Innovation Accelerator.

7.0 UK Shared Prosperity Fund

7.1 On 5 December 2022, Government confirmed that it had approved the UK Shared Prosperity Fund (UKSPF) investment plan put forward by the WMCA. This approval of the plan triggers the Government's release of the first payment of the £88m allocation to the region over the next three years, with confirmation of funding for 2022/23 and indicative allocations for 2023/24 and 2024/25. UKSPF is a central pillar of this government's levelling up agenda, and replacement funding for the European Union Structural Funding.

8.0 Bootcamps Wave 4

8.1 WMCA has submitted a bid for further award of £15.2m of funding to continue delivery of a programme which was started since 2019, where learners are provided with free of charge Bootcamps to equip them with digital skills and give them access to jobs in areas such as coding, cybersecurity and digital marketing. With this additional funding, the plan is to evolve the programme into upskilling residents in Retrofit, Green and Sustainability and Healthcare. Confirmation of the award from Government is expected shortly.

9.0 Adult Education Budget (AEB) rate uplift

9.1 The funding rate paid to colleges and independent training providers for adult skills provision has not increased for over 10 years, although the Department for Education (DfE) has recently increased the funding rate for 16-18 provision by 8.4% nationally.

9.2 Representations have been made by the Further Education sector stating that the funding provided for adult skills is insufficient to deliver quality provision and recent inflationary increases have brought this issue into sharper focus. To provide further context, most Mayoral Combined Authorities have recently announced a 10% uplift with the Greater London Authority recently announcing a 13.5% uplift.

Whilst no overall increase in expenditure is proposed as funding allocations are not proposed to change allowing the uplift to be met from within WMCA's existing approved AEB budget, it is likely that learner participation will decrease marginally to ensure that provision remains within the existing budget. It is however anticipated that better quality provision will lead to more successful outcomes for adult learners.

The rate increase will be effective from 1st August 2022 for colleges and on renewal of contracts for independent training providers.

10.0 Investment Programme

10.1 The financial results for the West Midlands Regional Investment Programme run one month behind the regular management accounts, due to the requirement to consolidate outputs across the metropolitan area.

10.2 The September expenditure is shown at Appendix 10, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily constituent member local authorities).

- 10.3 Appendix 11 summarises grant funding commitments approved by WMCA for projects within the Investment Programme, which total £853.8m as at 30th November 2022 (a reduction from £858.7m as at 31st October 2022 due to a favourable variance on project costs noted at WMCA Investment Board in December 2022).
- 10.4 WMCA Investment Programme funding drawn / incurred by projects against these funding commitments as at 30th September 2022 totals £485.3m.

11 Administered Funds

- 11.1 Administered Funds which were 'live' as at 1 April 2022, totalled £27.4m as of 30th November 2022. This sum excludes funds fully utilised and concluded by 31 March 2022. A breakdown of this amount is included within Appendix 12.
- 11.2 These funds do not form part of the Authority's own revenue and capital budgets but are effectively funds received by WMCA and passported to partner authorities for delivery.
- 11.3 Elements of the overarching grants listed at Appendix 12 which are not passported are excluded from this appendix.

12 Balance Sheet

- 12.1 Appendix 13 presents the West Midlands Combined Authority Balance Sheet which shows a healthy financial position as at 30 November 2022.
- 12.2 The increase in property, plant and equipment reflects TfWM capital spend and work-in-progress funded mainly by grants in advance, resulting in an increase of £8.0m.
- 12.3 The decrease in short-term deposits is largely due to payments in respect of PWLB principal loan repayment, Collective Investment Funds loans drawdown, Adult Education Budget, Network Planning & Network Stability Fund to operators, Investment Programme and Metro extension schemes offset by business rates growth received.
- 12.4 The receipt for the business rates growth and payments for the Investment Programme and Adult Education Budget contributed to the net increase in earmarked reserves.
- 12.5 The decrease in short-term creditors/accruals related to lower capital accruals and residual accrual for the Network Planning & Network Stability Fund to operators following part payment mentioned in 17.3.

13 Financial Implications

- 13.1 The financial implications are set out in the report.

14 Legal Implications

- 14.1 In respect of the funding and passporting of funds there will be conditions that WMCA will need to adhere to. Legal support will be required for any legal documentation entered into in respect of the above.

15 Other Implications

- 15.1 There are no Equalities, Inclusive Growth, Geographical or Other implications arising from this report.

16 Appendices

- Appendix 1 – WMCA Consolidated Summary – November 2022
- Appendix 2 – WMCA Transport Revenue Summary – November 2022
- Appendix 3 – WMCA Delivery Budget Summary – November 2022
- Appendix 4 – WMCA Mayor Revenue Summary – November 2022
- Appendix 5 – WMCA Capital Programme – November 2022
- Appendix 6 – WMCA 2022/23 Transport Capital Programme
- Appendix 7 – WMCA 2022/23 Housing and Land Capital Programme
- Appendix 8 – WMCA 2022/23 Investment Programme to Local Authorities Programme
- Appendix 9 – WMCA 2022/23 City Regional Sustainable Transport Settlement Programme
- Appendix 10 – Total Regional Investment Programme Expenditure – October 2022
- Appendix 11 – WMCA Investment Programme Commitments – November 2022
- Appendix 12 – WMCA Administered Funds – November 2022
- Appendix 13 – WMCA Balance Sheet – November 2022

Appendix 1 WMCA Consolidated Revenue Budget Summary – November 2022

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	78,010	78,010	0	117,015	117,015	0
Commonwealth Games	27,346	18,656	8,690	27,125	18,656	8,469
Revenue Grants & Other Income	14,050	5,446	8,604	27,745	8,339	19,406
Adult Education Funding	93,361	104,107	(10,746)	140,577	140,577	0
Share of Business Rates	7,717	3,500	4,217	10,500	10,500	0
Constituent Membership	3,096	3,096	0	4,644	4,644	0
Non Constituent Members	340	340	0	510	510	0
Investment Programme	488	8,589	(8,101)	36,500	36,500	0
Investment Income	1,731	599	1,132	2,815	898	1,917
Use of Reserves	2,649	8,357	(5,708)	15,261	14,064	1,197
Total Funding	228,788	230,700	(1,912)	382,692	351,703	30,989
Transport for West Midlands	76,854	80,903	4,049	126,131	124,964	(1,167)
Commonwealth Games	27,346	18,656	(8,690)	27,125	18,656	(8,469)
Economic Delivery, Skills & Communities	102,486	110,063	7,577	158,799	149,445	(9,354)
Strategy, Integration and Net Zero	7,799	3,906	(3,893)	15,193	6,177	(9,016)
Housing & Rengeneration	856	970	114	1,456	1,455	(1)
Portfolio Support	2,470	2,370	(100)	3,420	3,055	(365)
Investment Programme	9,337	12,159	2,822	49,022	47,105	(1,917)
Mayoral Office	505	564	59	846	846	0
Mayoral Election	0	0	0	0	0	0
Total Expenditure	227,653	229,591	1,938	381,992	351,703	(30,289)
Net Expenditure (before earmarked reserves)	1,135	1,109	26	700	0	700
Transport	1,804	2,406	(602)	28	0	28
Portfolios	(669)	(1,296)	627	672	0	672
Mayoral Office	0	0	0	0	0	0
Total Surplus / (Deficit)	1,135	1,110	26	700	0	700

The outturn position at the end of November shows a surplus of £1.135m which represents a minor favourable variance from budget of £0.026m.

This is made up of an adverse variance within Transport of £0.602m, which is largely due to savings within the Concessions and Metro budgets due to lower patronage and fare levels and additional Local Transport Fund (LTF) grant funding that has now been confirmed offset by lower than budgeted draw down of reserves to date.

This adverse variance is offset by a favourable variance of £0.627m within Portfolios where savings against staffing budgets due to vacant posts and external advice across several Portfolios are partly offset by a lower than budgeted draw down of reserves of £1m.

The full year position reflects an increase in the MML operating costs of £4.2m to reflect ongoing cost pressures and revenue lost during the service shutdown. This increase has been offset by additional Local Transport Fund (LTF) grant of £1.8m and non-pay savings of £2.5m.

Key movements in the forecast position since that last reported are an adverse movement of £0.8m to cover tram repairs within Metro offset by favourable movements across several areas reflecting posts that have been vacant during the first half of the year.

Appendix 2 Transport for West Midlands Revenue Budget Position 30th November 2022

	ACTUAL £000			BUDGET £000			YTD VARIANCE FAV / (ADVERSE) £000	FORECAST £000	BUDGET £000	FULL YEAR VARIANCE FAV / (ADVERSE) £000
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET				
Transport Levy	78,010	0	78,010	78,010	0	78,010	0	117,015	117,015	0
Use of Reserves	649	0	649	6,048	0	6,048	(5,398)	9,144	9,078	67
TOTAL FUNDING	78,659	0	78,659	84,057	0	84,057	(5,398)	126,159	126,092	67
Concessions										
National Bus Concession	93	30,792	(30,700)	121	31,512	(31,391)	691	(48,041)	(47,843)	(198)
Metro / Rail	0	3,030	(3,030)	0	3,039	(3,039)	10	(4,556)	(4,576)	21
Child Concession	0	3,813	(3,813)	0	4,278	(4,278)	464	(6,311)	(6,710)	399
	93	37,635	(37,543)	121	38,829	(38,708)	1,165	(58,909)	(59,130)	221
Bus Services										
Bus Stations / Infrastructure	4,726	7,945	(3,219)	5,015	8,552	(3,537)	317	(5,619)	(5,643)	25
Subsidised Network	22,435	31,004	(8,569)	1,363	9,932	(8,569)	0	(13,420)	(13,420)	0
Accessible Transport	105	3,603	(3,497)	0	3,704	(3,704)	207	(6,471)	(6,638)	167
	27,266	42,552	(15,286)	6,378	22,188	(15,810)	524	(25,510)	(25,702)	192
Rail and Metro Services										
Metro Services	127	4,333	(4,206)	136	5,152	(5,016)	810	(8,787)	(6,137)	(2,649)
Rail Services	837	2,774	(1,938)	1,031	3,517	(2,486)	548	(4,023)	(4,165)	141
	964	7,107	(6,143)	1,167	8,669	(7,502)	1,358	(12,810)	(10,302)	(2,508)
Integration										
Safety and Security	470	1,067	(597)	448	1,282	(834)	238	(796)	(1,257)	461
Passenger Information	15,120	18,863	(3,742)	605	4,819	(4,214)	472	(6,128)	(6,959)	831
Sustainable Travel	66	1,029	(963)	98	1,332	(1,234)	271	(1,796)	(1,893)	97
	15,656	20,959	(5,302)	1,151	7,434	(6,283)	981	(8,721)	(10,109)	1,389
Network Resilience										
		1,663	(1,663)	18	2,133	(2,115)	452	(3,573)	(3,744)	171
Commonwealth Games	27,346	27,346	0	18,656	18,656	0	0	0	0	0
Business and Democratic Support	0	2,712	(2,712)	(167)	2,490	(2,657)	(55)	(3,681)	(3,697)	16
Strategic Development	753	3,275	(2,522)	867	3,749	(2,882)	359	(4,387)	(4,863)	476
Transport Governance	21	99	(77)	0	90	(90)	13	(130)	(135)	5
Capital Finance Charges	0	5,606	(5,606)	0	5,606	(5,606)	(0)	(8,410)	(8,410)	0
TOTAL EXPENDITURE	72,099	148,954	(76,855)	28,191	109,844	(81,653)	4,798	(126,130)	(126,092)	(38)
NET before Earmarked Reserves	150,758	148,954	1,804	112,249	109,844	2,405	(602)	29	0	29

At the end of November 2022 there is a £0.6m adverse variance against budget and a full year forecast that remains in line with budget.

Concessions

The driver behind the year to date saving relates largely to the ENCTS and Child concessions budget due to lower patronage and fare levels.

The full year forecast has been broadly retained at budgeted levels to enable provision for the risk in relation to the bus network going forward.

Bus Services

There are savings across Bus Infrastructure budgets of £0.3m in the main relating to staffing, cleaning, and maintenance budgets.

The Subsidised Bus position is in line with budget with Local Transport Funding (LTF) offsetting the increased subsidised service costs.

Within Accessible Transport there are savings to date of £0.2m favourable due to contractual savings plus additional revenue received from WMAT.

The full year position mostly reflects savings to date within Accessible Transport.

Rail & Metro

Within Metro Services the favourable position to date reflects the LTF grant that has been received in relation to the first half of year, alongside savings on general insurance premiums to date.

The full year position reflects an increase in the Metro subsidy requirement of £4.2m.

Within Rail Services the year to date savings are largely within staffing and maintenance budgets. The full year favourable position reflects savings within external advice of £0.7m which have been used to help fund the additional Metro subsidy requirement.

Integration

Savings to date largely relate to staffing where there are vacant posts across several budgets, plus an under-spend within the marketing budget which is expected to be utilised by the end of the year. There are also increased capital recharges due to the extension of the Active Travel Fund.

The favourable movement in the full year position mainly reflects a forecast reduction in external advice expenditure which will contribute towards funding the additional Metro subsidy requirement plus year to date staff savings.

Network Resilience

Within the Network Resilience budget there are savings against the Staffing budget due to vacant posts alongside external advice savings.

Strategic Development

In year savings are largely within the staffing budget because of hiring delays due to a restructure; vacant posts are now expected to be appointed during the fourth quarter of the year. The remaining underspend is due to timing, with activity relating to the Local Transport Plan, Local Transport Investment Programme and Rail surveys expected in the later part of the year to align with recruitment.

Reserves

Reserves drawn down to date relate to the delivery of the West Midlands Cycle Hire scheme which are under that budgeted by £0.1m.

Budgeted reserves earmarked to support the 2022/23 Transport Budget have not yet been drawn down.

**Appendix 3
West Midlands Combined Authority Portfolios Budget – November 2022**

FINANCIAL SUMMARY AS AT PAY NOVEMBER 2022	NOVEMBER 2022 YEAR TO DATE			FULL YEAR 2022/23			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Operational Income							
Mayoral Capacity Funding	0	102	(102)	154	154	0	
Other Revenue Income	0	0	0	500	500	0	
Notional Interest Receivable	599	529	70	794	794	0	
Contribution - 7 Met Council's	3,096	3,096	0	4,644	4,644	0	
Contribution - Non constituent members	340	340	0	510	510	0	
Use of Reserves	2,000	3,058	(1,058)	6,117	6,117	0	
Total Income	6,035	7,125	(1,090)	12,719	12,719	0	
Corporate Support Recharges to Portfolios	2,467	2,370	97	3,920	3,555	365	
Total Expenditure	2,467	2,370	97	3,920	3,555	365	
Operational Income Net Total	3,568	4,755	(1,187)	8,799	9,164	(365)	
Economy & Innovation							
Other Industrial Strategy Income	1,454	378	1,076	1,454	567	887	
DDCMS - Creative Scale Up	20	133	(113)	20	200	(180)	
Create Central Projects	579	205	374	879	410	469	
Policy and Programme Development	2,463	0	2,463	3,467	0	3,467	
IAWM	136	108	28	129	108	21	
Total Income	4,652	824	3,828	5,949	1,285	4,664	
Industrial Strategy	(1,566)	(489)	(1,077)	(1,644)	(733)	(911)	
DDCMS - Creative Scale Up	(43)	(133)	90	(43)	(200)	157	
Economic Delivery	(20)	0	(20)	(55)	0	(55)	
Create Central Projects	(552)	(542)	(10)	(962)	(915)	(47)	
Policy and Programme Development	(2,464)	0	(2,464)	(3,467)	0	(3,467)	
IAWM	(132)	(108)	(24)	(129)	(108)	(21)	
Economic Intelligence	(56)	(200)	144	(240)	(240)	0	
Funding For Growth	(467)	(467)	0	(700)	(700)	0	
Total Expenditure	(5,300)	(1,939)	(3,361)	(7,240)	(2,896)	(4,344)	
Economy & Innovation Net Total	(648)	(1,115)	467	(1,291)	(1,611)	320	The favourable variance is largely due to additional Create Central funding secured post budget. External advice within Economic Intelligence is currently behind profile but the full budget is committed in the second half of the year.
Health and Communities							
Head of Health & Communities	132	0	132	117	0	117	
Thrive at Work	136	76	60	318	76	242	
IPS Programme	206	103	103	278	155	123	
Total Income	474	179	295	713	231	482	
Head of Health & Communities	(536)	(511)	(25)	(838)	(761)	(77)	
Thrive at Work	(241)	(193)	(48)	(447)	(287)	(160)	
Wellbeing and Prevention	0	0	0	0	0	0	
IPS Programme	(206)	(103)	(103)	(278)	(155)	(123)	
Total Expenditure	(983)	(807)	(176)	(1,563)	(1,203)	(360)	
Health and Communities Net Total	(509)	(628)	119	(850)	(972)	122	Additional grant income has been used to cover core costs which has led to a favourable position.
Employment & Skills							
Productivity and Skills	70	30	40	126	30	96	
Employment Support	45	0	45	71	0	71	
Construction Skills	(393)	0	(393)	(368)	0	(368)	
Adult Education	93,361	104,107	(10,746)	140,577	140,577	0	
Careers	7	0	7	7	0	7	
Digital Skills	972	0	972	5,959	0	5,959	
Investment Programme (Skills)	245	166	79	349	298	51	
Commonwealth Games	405	355	50	460	470	(10)	
European Structural & Investment Funding	824	1,379	(555)	1,295	2,068	(773)	
Multiply	27	0	27	0	0	0	
UKSPF	27	0	27	0	0	0	
Total Income	95,590	106,037	(10,447)	148,476	143,443	5,033	
Productivity and Skills	(688)	(1,287)	599	(1,646)	(1,935)	289	
Employment Support	(45)	0	(45)	(71)	0	(71)	
Construction Skills	393	0	393	368	0	368	
Adult Education	(93,361)	(104,107)	10,746	(140,576)	(140,577)	1	
Careers	(7)	0	(7)	(7)	0	(7)	
Digital Skills	(972)	0	(972)	(5,959)	0	(5,959)	
Investment Programme (Skills)	(245)	(191)	(54)	(349)	(298)	(51)	
Commonwealth Games	(405)	(355)	(50)	(460)	(470)	10	
European Structural & Investment Funding	(824)	(1,378)	554	(1,295)	(2,068)	773	
Multiply	(27)	0	(27)	0	0	0	
UKSPF	(27)	0	(27)	0	0	0	
Total Expenditure	(96,208)	(107,318)	11,110	(149,995)	(145,348)	(4,647)	
Employment & Skills Net Total	(618)	(1,281)	663	(1,519)	(1,905)	386	There are savings against the staffing and external advice budgets pending recruitment to a new staffing structure earlier in the financial year.
Inclusive Communities							
Homelessness	281	224	57	438	478	(40)	
Total Income	281	224	57	438	478	(40)	
Head of Systems Change & Inclusion	(121)	(223)	102	(273)	(365)	92	
Youth Combined Authority	(77)	(144)	67	(213)	(223)	10	
Homelessness	(325)	(254)	(71)	(483)	(523)	40	
Inclusion	(105)	(101)	(4)	(156)	(151)	(5)	
Total Expenditure	(628)	(722)	94	(1,125)	(1,262)	137	
Inclusive Communities Net Total	(347)	(498)	151	(687)	(784)	97	Head of Service started mid-way through the year with related activity budgeted on external advice reprofiled accordingly.
Economic Delivery, Skills & Communities Net Total	(2,122)	(3,522)	1,400	(4,347)	(5,272)	925	

FINANCIAL SUMMARY AS AT PAY NOVEMBER 2022	NOVEMBER 2022 YEAR TO DATE			FULL YEAR 2022/23			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Environment & Energy, HS2							
Environment	138	140	(2)	307	210	97	Staff savings due to three vacant posts with recruitment planned in later part of the year, there are also resultant lower levels of activity on external advice.
Community Green	185	31	154	355	47	308	
Total Income	323	171	152	662	257	405	
Environment	(437)	(683)	246	(1,084)	(1,108)	24	
Community Green	(185)	(31)	(154)	(351)	(47)	(304)	
Total Expenditure	(622)	(714)	92	(1,435)	(1,155)	(280)	
Environment & Energy, HS2 Net Total	(299)	(543)	244	(773)	(898)	125	
Culture and Digital							
Culture	49	0	49	98	0	98	Lower activity to date pending the newly appointed Head of Digital and savings against the Culture core budget.
DCIA	79	0	79	0	0	0	
Total Income	128	0	128	98	0	98	
Culture	(119)	(99)	(20)	(298)	(178)	(120)	
Digital	(30)	(163)	133	(216)	(245)	29	
DCIA	(79)	0	(79)	0	0	0	
Total Expenditure	(228)	(262)	34	(514)	(423)	(91)	
Culture and Digital Net Total	(100)	(262)	162	(416)	(423)	7	
Tourism, trade and Investment Programme							
Tourism, Trade and Investment Programme	3,614	0	3,614	8,402	0	8,402	Grant and Investment Programme funding is passported to WMGC who manage delivery of the Programme.
Total Income	3,614	0	3,614	8,402	0	8,402	
Tourism, Trade and Investment Programme	(3,614)	0	(3,614)	(8,402)	0	(8,402)	
Total Expenditure	(3,614)	0	(3,614)	(8,402)	0	(8,402)	
Tourism, trade and Investment Programme Net Total	0	0	0	0	0	0	
Energy Capital							
Energy Capital	565	388	177	739	625	114	Net staff savings due to three vacant posts which are no longer required. External advice is underspent by £181k and now expected later in the year.
Net Zero Neighbourhood	427	40	387	400	59	341	
Total Income	992	428	564	1,139	684	455	
Energy Capital	(562)	(388)	(174)	(739)	(625)	(114)	
Net Zero Neighbourhood	(434)	(40)	(394)	(430)	(59)	(371)	
Total Expenditure	(996)	(428)	(568)	(1,169)	(684)	(485)	
Energy Capital Net Total	(4)	0	(4)	(30)	0	(30)	
Levelling Up							
Office of Data Analytics	33	54	(21)	17	81	(64)	Favourable variances are largely due to staff savings relating to vacant posts. Income from Devo Office of Data Analytics budgeted from April £54k may be utilised later in the year or carried forward to bridge funding gaps.
Total Income	33	54	(21)	17	81	(64)	
Office of Data Analytics	(196)	(165)	(31)	(200)	(261)	61	
Executive Director of Strategy, Integration and Net Zero	(1,137)	(1,086)	(51)	(1,533)	(1,552)	19	
Head of Research & Intelligence	(177)	(229)	52	(358)	(371)	13	
Head of Policy & Public Affairs	(179)	(195)	16	(356)	(315)	(41)	
Public Affairs	(54)	(103)	49	(131)	(154)	23	
Total Expenditure	(1,743)	(1,778)	35	(2,578)	(2,653)	75	
Levelling Up Net Total	(1,710)	(1,724)	14	(2,561)	(2,572)	11	
Strategy, Innovation & Net Zero	(2,113)	(2,529)	416	(3,780)	(3,893)	113	
Housing and Land							
Director of Housing & Regeneration	856	970	(114)	1,457	1,455	2	
Total Income	856	970	(114)	1,457	1,455	2	
Director of Housing & Regeneration	(856)	(970)	114	(1,457)	(1,455)	(2)	
Total Expenditure	(856)	(970)	114	(1,457)	(1,455)	(2)	
Housing and Land Net Total	0	0	0	0	0	0	
Operational Income Net Total	(667)	(1,296)	629	672	(1)	673	

FINANCIAL SUMMARY AS AT PAY AUGUST 2022	AUGUST 2022 YEAR TO DATE			FULL YEAR 2022/23			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Skills and Productivity							
Productivity and Skills	38	30	8	84	30	54	There are savings against the staffing and external advice budgets pending recruitment to a new staffing structure.
Employment Support	45	0	45	71	0	71	
Construction Skills	(400)	0	(400)	0	0	0	
Adult Education	64,697	69,056	(4,359)	140,577	140,577	0	
Careers	7	0	7	7	0	7	
Digital Skills	(176)	0	(176)	10,976	0	10,976	
Investment Programme (Skills)	182	116	66	350	298	52	
Commonwealth Games	244	225	19	460	470	(10)	
European Structural & Investment Funding	405	862	(457)	2,069	2,068	1	
Total Income	65,042	70,289	(5,247)	154,594	143,443	11,151	
Productivity and Skills	(366)	(801)	435	(1,990)	(1,935)	(55)	
Employment Support	(45)	0	(45)	(71)	0	(71)	
Construction Skills	400	0	400	0	0	0	
Adult Education	(64,697)	(69,056)	4,359	(140,577)	(140,577)	0	
Careers	(7)	0	(7)	(7)	0	(7)	
Digital Skills	176	0	176	(10,976)	0	(10,976)	
Investment Programme (Skills)	(182)	(98)	(84)	(350)	(298)	(52)	
Commonwealth Games	(244)	(225)	(19)	(460)	(470)	10	
European Structural & Investment Funding	(405)	(860)	455	(2,069)	(2,068)	(1)	
Total Expenditure	(65,370)	(71,040)	5,670	(156,500)	(145,348)	(11,152)	
Skills and Productivity Net Total	(328)	(751)	423	(1,906)	(1,905)	(1)	
Culture and Digital							
Culture	13	0	13	0	0	0	Activity has been re-profiled pending recruitment to a new structure.
Total Income	13	0	13	0	0	0	
Culture	(48)	(55)	7	(202)	(178)	(24)	
Digital	(30)	(82)	52	(245)	(245)	0	
Total Expenditure	(78)	(137)	59	(447)	(423)	(24)	
Culture and Digital Net Total	(65)	(137)	72	(447)	(423)	(24)	
Inclusive Communities							
Homelessness	131	95	36	492	478	14	Head of Service to start in September with related activity budgeted on external advice reprofiled to later in the year.
Total Income	131	95	36	492	478	14	
Head of Systems Change & Inclusion	(72)	(122)	50	(337)	(365)	28	
Youth Combined Authority	(44)	(76)	32	(232)	(223)	(9)	
Homelessness	(155)	(110)	(45)	(537)	(523)	(14)	
Inclusion	(58)	(63)	5	(157)	(151)	(6)	
Total Expenditure	(329)	(371)	42	(1,263)	(1,262)	(1)	
Inclusive Communities Net Total	(198)	(276)	78	(771)	(784)	13	
Tourism, trade and Investment Programme							
Tourism, Trade and Investment Programme	1,652	0	1,652	8,228	8,402	(174)	
Total Income	1,652	0	1,652	8,228	8,402	(174)	
Tourism, Trade and Investment Programme	(1,652)	0	(1,652)	(8,228)	(8,402)	174	
Total Expenditure	(1,652)	0	(1,652)	(8,228)	(8,402)	174	
Tourism, trade and Investment Programme Net Total	0	0	0	0	0	0	
Levelling Up							
Office of Data Analytics	17	34	(17)	67	81	(14)	Staff savings £162k and underspends on stakeholder engagement £12k and external advice £67k are due to vacancies, with outsourced collaboration work with University of Birmingham and Oxford Economics rescheduled for later in the year.
Total Income	17	34	(17)	67	81	(14)	
Office of Data Analytics	(39)	(92)	53	(245)	(261)	16	
Executive Director of Strategy, Integration and Net Zero	(140)	(147)	7	(1,538)	(1,552)	14	
Head of Research & Intelligence	(61)	(149)	88	(376)	(371)	(5)	
Head of Policy & Public Affairs	(83)	(116)	33	(392)	(315)	(77)	
Public Affairs	(31)	(61)	30	(150)	(154)	4	
Total Expenditure	(354)	(565)	211	(2,701)	(2,653)	(48)	
Levelling Up Net Total	(337)	(531)	194	(2,634)	(2,572)	(62)	
Operational Income Net Total	(554)	(464)	(90)	(19)	0	(19)	

Appendix 4
West Midlands Combined Authority Mayoral Budget – November 2022

	NOVEMBER 2022 YEAR TO DATE			FULL YEAR 2022/23				
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
MAYORAL OFFICE								
Other Grants	505	564	(59)	846	846	(0)	No material variations year to date.	
TOTAL INCOME	505	564	(59)	846	846	(0)		
Staff Costs	(484)	(526)	42	(743)	(788)	46		
IT	(6)	(7)	1	(10)	(11)	1		
Travel & Subsistence	(6)	(9)	3	(3)	(14)	11		
Other	(9)	(22)	13	(91)	(33)	(58)		
TOTAL EXPENDITURE	(505)	(564)	59	(846)	(846)	0		
MAYORAL ELECTION								
	0							
Other Income	35	0	35	35	0	35		
Use of Reserves	0	0	0	(35)	0	0		
TOTAL INCOME	35	0	35	35	0	35		
Mayoral Election Costs	(35)	0	(35)	(35)	0	(35)		
TOTAL EXPENDITURE	(35)	0	(35)	(35)	0	(35)		
NET MAYORAL BUDGET	0	0	0	0	0	0		

Appendix 5

West Midlands Combined Authority Transport Delivery Capital Programme – November 2022

	YEAR TO DATE - NOVEMBER 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Metro	82,479	106,677	24,198	152,622	160,040	7,418
Rail	12,250	23,072	10,821	41,884	42,436	551
Sprint	106	327	220	2,809	2,810	1
TRANSPORT - INVESTMENT PROGRAMME	94,836	130,075	35,240	197,316	205,285	7,970

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of November 2022, actual expenditure was £35.2m lower than budget.

Metro

Wednesbury to Brierley Hill Ext £7.5m – The baseline Target Cost (TC2) has now been approved for phase 1 of this project, hence some activity has been rephased accordingly.

Birmingham Eastside Ext £6.2m – Approximately £10.2m of costs have been rescheduled relating to HS2 utilities works due to the process of agreeing revised commercial terms. This is offset by additional physical construction works undertaken during the Commonwealth Games embargo.

Network Enhancements – Wednesbury Depot Upgrades £5.5m – The variance is attributable to the construction for the power upgrade which is now expected to commence in the coming months.

Wolverhampton WIP Contingency £2.1m – This project is pending agreement of total project cost to complete, as such, there is no spend against this contingency at this time.

Rail

Camp Hill Line Local Enhancements Package 2 £7.5m – This is largely attributable to signing of construction contracts occurring later than planned and the subsequent mobilisation impacts along with extended time scales in agreeing site land access. This is expected to be recovered over the programme duration.

Walsall to Wolverhampton Local Enhancements Package 1 £3.2m – There has been a rephasing of project works due to the identification of mining infrastructure on the construction site.

FORECAST V BUDGET VARIANCE COMMENTARY

Metro

Birmingham Eastside Extension (£8.6m) – Originally there were no works planned during the Commonwealth Games period, however dispensation was granted for some works to take place during the embargo allowing some acceleration of the programme. These works include paving, street lighting and traffic signals.

Wednesbury Depot Upgrades £6.6m – Rephasing of construction works during the construction of Delta Junction and deferred TC2 submission.

Wednesbury to Brierley Hill Extension £4.4m – Rephasing works have been undertaken whilst project deliver options were assessed.

Buy Before Boarding £3.5m – Civil enabling works are now expected to commence within the next financial year.

Rail

Camp Hill Line Local Enhancements Package 2 (£4.4m) – The acceleration is due to the high volume of construction activity forecasted for quarter 4.

Walsall to Birmingham Local Enhancements Package 1 £4.8m - Work is required at both station sites to reduce the risk of ground collapses due to historic mining. This has been estimated at £5m (which will be funded by contingency and expected construction savings) but will delay the construction phase.

	YEAR TO DATE - NOVEMBER 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Highway	3,169	5,566	2,397	6,972	9,291	2,319
Other	589	590	1	590	590	0
Rail	19,246	28,301	9,055	27,236	28,548	1,312
Sprint	18,819	27,303	8,484	21,522	23,107	1,584
TRANSPORT - COMMONWEALTH GAMES	41,822	61,759	19,937	56,320	61,535	5,215

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of November 2022, actual expenditure was £19.9m under budget.

Rail

University Station Improvement £4.6m - The variance is driven by ongoing discussions with the construction contractor regarding compensation events. The position is expected to be resolved in the coming months.

Perry Barr Station Improvement £4.4m – The variance relates to physical construction contingencies.

Sprint

A34 Walsall to Birmingham £4.5m - The main area of underspend is relating to construction works, requiring review and approval of a significant number of compensation events, creating a time lag of work done and contractor approval. Most of this will be caught up during Q4.

A45 Birmingham to Airport and Solihull £4m – Minor snagging works are taking place and the variance is due to the review and approval of compensation events which are ongoing but most of the position will be caught up during Q4.

	YEAR TO DATE - NOVEMBER 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus	6,738	11,948	5,209	18,156	29,128	10,972
Cycling	67	88	21	311	311	0
Other	2,444	5,118	2,673	6,984	9,439	2,455
TRANSPORT - OTHER MAJOR PROGRAMMES	9,250	17,154	7,904	25,451	38,878	13,427

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of November 2022, actual expenditure was £7.9m below budget.

Bus

Coventry Electric Bus City £2.4m – The power supply contract scheduled to be completed may not now be required, owing to contractors arranging this separately. This is being reassessed by the Project team.

Cross City Bus -Dudley - Druids Heath Package £1.8m - Rephasing of Burnt Tree sub-scheme into FY23/24.

Cross City Bus - City Centre Package £0.6m - Rephasing of works, delivery of Cross City Package 1 expected to commence June 2023.

Other

Future Mobility Zone Enabling Data Exploitation £0.9m – The primary underspend relates to resource allocation for the Mobility as a Service Project (MaaS). The procurement tender to secure the resources is expected to be awarded in the coming months.

Future Mobility Zone – Innovation Showcases £0.7m – Phase 2 hub design and development costs are now expected at the end of Q4.

FORECAST V BUDGET VARIANCE COMMENTARY

Zero Emission Bus Regional Area (ZEBRA) £5.7m – change request submitted to DfT to rephase this project to 2023/24.

Cross City Bus – Dudley to Druids Heath Package £4m – Construction of the Burnt Tree scheme improvement plan has been phased back for delivery in 2024 due the timing of the Full Business Case and preference by TfWM and local authorities to begin construction at this later date.

	YEAR TO DATE - NOVEMBER 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Minor Work Programme	1,989	4,753	2,764	6,808	8,595	1,787
TRANSPORT - MINOR WORKS	1,989	4,753	2,764	6,808	8,595	1,787

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of November 2022, actual expenditure was £2.8m under budget. The main variances are as follows:

Asset Management Programme £0.7m - Rephasing of procurement materials, to be used for upgrades to bus stations and rail park & ride sites, will commence in the coming months.

A435 Alcester Road Bus Priority Revitalisation £0.6m - Rephasing of construction works into early 2023.

Air Quality Grant Scheme 2021 £0.5m – Project team is assigning an operator to this project and costs are likely to be incurred in the next financial year.

FORECAST V BUDGET COMMENTARY

A435 Alcester Road Bus Priority Revitalisation £0.7m – Some construction activity is now forecast to fall into 2023/24.

Priority 1 Development Workstream £0.5m – Forecast reduction as some schemes are running into 2023/24 due to lack of resourcing and a construction embargo during the Commonwealth Games.

West Midlands Combined Authority Transport Capital Programme Grants to Local Authorities – November 2022

	YEAR TO DATE - NOVEMBER 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Grants to Local Authorities	4,109	4,625	516	13,359	36,757	23,398
Total Grants to Local Authorities	4,109	4,625	516	13,359	36,757	23,398

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of November 2022, actual expenditure was £0.5m under budget.

MRN - A4123 Corridor - A4150 Ring Road to A456 Hagley Rd £0.2m – Project is at design development stage; it is likely the project completion will fall into 2023/24.

MRN - A452 Balsall Common Bypass £0.2m - Traffic build works now commenced, undertaking preliminary design development - expected to be completed in Q1 23/24.

MRN-A45 Coventry Road/Damson Parkway Junction £0.1m - Rephasing of works, with additional surveys and developing further design detail, will commence in the coming months.

Priority 1 Delivery- Binley Road Coventry (£0.6m) - Claims for Q1 and Q2 have been higher than expected.

FORECAST V BUDGET VARIANCE COMMENTARY

Active Travel Fund – Tranche 3 £16.4m – Local authorities are producing the individual business cases with funding due to be committed by March 2023 as required within the grant conditions. The delivery of the individual schemes will go beyond March 2023 and DfT have been fully engaged with the revised timelines to mitigate any risk of funding clawback.

Priority 1 Delivery – A45 Coventry Road Birmingham £4.4m – This is largely due to resourcing challenges over the last 6 months, Birmingham City Council are looking to secure additional resource to support delivery.

Priority 1 Delivery – Perry Barr to Sutton Coldfield £1.4m – A design review is currently being undertaken which will impact delivery commencement into late Q3.

	YEAR TO DATE - NOVEMBER 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
CRSTS Programme	28,982	41,265	12,283	61,374	77,663	16,289
Total CRSTS	28,982	41,265	12,283	61,374	77,663	16,289

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of November 2022, actual expenditure was £12.3m under budget.

Metro Line 1 Renovation £5m - The budget assumed Board approval would take place in April 22 but this is now expected in March 2023.

Swift CeMV Contactless Payment Broker £3.1m - Board approval has been received; funding is due to be drawn down imminently.

BSIP Bus Priority Cross City Routes £2.6m - Business case stages are later than originally budgeted for, the OBC has commenced in October 22.

CRSTS - VLR Phase 2 Coventry Demonstration Route £1.5m - The VLR phase 2 project SOC is currently awaiting Board approval which is expected in January 23. Costs will be incurred post approval.

FORECAST V BUDGET COMMENTARY

BSIP Bus Priority Cross City Routes £5.7m – The forecast for the year has been reduced to reflect the movement in the business case timeline. The OBC will now be submitted in August 2023.

Metro Line 1 Renovation £5m – The forecast for the year has been reduced to reflect that Board approval would take place later in the year than originally expected.

Swift CeMV Contactless Payment Broker £3.1m – Rephasing of activity into the next financial year.

West Midlands Combined Authority Capital Programme Investment Programme Grants to Local Authorities – November 2022

	YEAR TO DATE - NOVEMBER 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	37,377	57,604	20,227	65,806	83,671	17,865
Total Investment Programme Grants to Local Authorities	37,377	57,604	20,227	65,806	83,671	17,865

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of November 2022, actual expenditure was £20.2m under budget.

Coventry City Centre South Regeneration – Coventry City Centre South £14m - Land acquisition costs deferred to later in the financial year as the main property developer is looking for a development partner.

CoW Technical Centre £4.4m - WMCA and City of Wolverhampton Council are yet to complete the required funding agreement. Nil funding reimbursed to date, and no funding is likely to be approved for reimbursement until the funding agreement is legally completed.

UK Central Infrastructure Programme £2.6m - This project is made up of 23 sub-projects, some of which have small slippages combining to the overall variance. These include Solihull Town Centre Low Caron Energy Network £0.6m, A45 Damson Parkway Junction Improvements £0.3m, Accelerated Housing Delivery £0.3m.

UK Central HS2 Interchange Programme £2.2m – This project is made up of several sub projects, the Roundabout Over Trace is underspent by £1.6m and NEC Longabout by £1m, these are offset by an overspend of £1.3m on the Arden Cross Multi-Storey Car Park.

Coventry UKC Plus - Coventry South Package (£1.8m) - This variance is due to accelerated spend on A46 Link Road Phase 1 project as the A46 Stoneleigh Junction Improvement Scheme is progressing quickly.

FORECAST V BUDGET COMMENTARY

Coventry Regeneration Friargate (£1.0m) - Accelerated construction, plot acquisition and infrastructure costs and subsequently increased professional fees which are calculated as a percentage of the construction contract, have resulted in forecasted accelerated drawdown of IP funding.

Coventry City Centre South £15.4m - This scheme was originally largely a retail development but due to changes in consumer behaviour and increased regional need for housing, the project is being re-designed to include significantly more residential developments. A new development partner is required which has resulted in construction costs scheduled to incur in 2022/23 being deferred to 2023/24.

UK Central Interchange £2.7m - This is primarily due to the NEC Longabout sub-project. A change request has been submitted to re-scope the outputs of the project.

UK Central Infrastructure Package £1.5m - This project is made up of 25 sub-schemes. There have been forecast reductions on several sub-schemes resulting in an overall variance.

West Midlands Combined Authority Housing Capital Programme – November 2022

	YEAR TO DATE - NOVEMBER 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Housing	13,691	41,287	27,596	43,535	65,167	21,632
Total Housing	13,691	41,287	27,596	43,535	65,167	21,632

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of November 2022, actual expenditure was £27.6m under budget.

BHF - Pipeline £11.4m - The position is due to some large projects anticipated to get to a signed funding agreement and spend drawdown this year not achieving that due to factors such as rising construction costs and inflation, complex land negotiations, securing planning and achieving all the requirements specified by HMG for devolved Housing and Land Funds. Examples include Lionel Street, Telford Station Quarter, Stratford Gateway, Coventry Rugby Club and Aga Site (Telford).

LPIF £5.7m -The variance is primarily in respect of the Phoenix 10 scheme. Walsall Council have advised contractors started works on site in March 22 and accelerated spend is expected in Q4.

BLPDF £4.7m – The position is largely due to the Shard End project which is now at risk of not progressing due to environmental issues and delays in work progressing. This project is now under review given the significant delays.

BHF - Phoenix Park £1.5m - Project cost inflation has been considered and the project is now due to go to Board early 2023.

LF - Abbots Lane £1.3m - The project was refused at Planning Committee. It is not expected that all the variance will be recovered during the remainder of the financial year.

FORECAST V BUDGET COMMENTARY

LPIF (£4.8m) - Accelerated spend of £5m is expected on the Phoenix 10 project towards the end of Q4.

BHF – Pipeline £18.6m – See above - a number of projects anticipated to commence drawdown of spend before the end of the financial year have been rephased into the next financial year. This includes Port Loop Phase 3 and 4 (assumed spend of £1.5m) which was being constructed by Urban Splash House who have gone into administration - an administrator has been appointed to look for a buyer which will delay the project and Phoenix park (assumed spend of £1.7m) which has been delayed to complete additional due diligence work requested by Investment Board and address changes to the scheme by the applicant.

BLPDF £2.6m - This is made up of two main components. Shard End £2.1m, this project has not yet commenced due to environmental reasons, a refreshed application has been requested reflecting material changes. Walsall Waterfront £0.4m, the developer went into Administration and the funds have been reassigned.

West Midlands Combined Authority Net Zero Capital Programme – November 2022

	YEAR TO DATE - NOVEMBER 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Net Zero Programme	78	5,168	5,090	8,999	8,894	(105)
Total Retrofit	78	5,168	5,090	8,999	8,894	(105)

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of November 2022, actual expenditure was £5.1m under budget.

Social Housing Decarbonisation £3.6m - The scheme is in the mobilisation phase, with the customer recruitment and property assessment being undertaken and the installations phased into Q4.

Sustainable Warmth Competition £1.5m - The scheme is in the mobilisation phase, with the customer recruitment and property assessment being undertaken and the installations phased into Q4.

**Appendix 6
2022/23 Transport Capital Programme**

TRANSPORT CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Investment Programme - Metro	Metro Wednesbury to Brierley Hill Extension	73.7	144.3	88.7	9.4	-	316.1
	Metro Birmingham Eastside Extension	48.5	73.7	18.9	4.0	-	145.1
	Metro Network Enhancements	12.4	23.4	20.8	0.2	0.2	57.0
	Metro Edgbaston Extension	3.2	-	-	-	-	3.2
	Wolverhampton Metro Extension	8.7	-	-	-	-	8.7
	Metro Enabling and Other Works	9.1	0.1	-	-	-	9.2
Investment Programme - Rail	Rail - Camp Hill Line Local Enhancements (Package 2)	26.9	24.9	0.4	-	-	52.3
	Rail - Walsall to Wolverhampton Local Enhancements (Package 1)	15.3	22.8	5.0	-	-	43.2
	Rail - Sutton Coldfield Gateway	0.2	21.1	-	-	-	21.3
	Rail - Snow Hill Lines	0.1	-	-	-	-	0.1
Investment Programme - Sprint	Sprint - Hagley Road Phase 1	2.3	1.7	-	-	-	3.9
	Sprint - Longbridge to Birmingham	0.2	17.2	11.7	13.4	-	42.5
	Sprint - Hall Green to Interchange via Solihull	0.2	7.3	5.7	8.9	9.9	32.0
	Sprint - Hagley Road Phase 2	0.2	11.2	11.2	20.0	12.2	54.8
	Sprint - Sutton Coldfield to Birmingham	0.0	25.9	-	-	-	25.9
INVESTMENT PROGRAMME TOTAL		201.0	373.5	162.4	55.9	22.3	815.1
CWG Programme	Sprint - A45 Birmingham to Airport and Solihull	12.3	-	-	-	-	12.3
	Sprint - A34 Walsall to Birmingham	10.9	-	-	-	-	10.9
	University Station Improvement Project	20.9	-	-	-	-	20.9
	Perry Barr Rail Station	7.7	-	-	-	-	7.7
	Regional Traffic Control Centre	8.6	-	-	-	-	8.6
	Other Works	0.8	-	-	-	-	0.8
CWG PROGRAMME TOTAL		61.0	-	-	-	-	61.0
Other Major Programmes	Dudley Interchange	0.9	1.4	16.8	-	-	19.2
	Dudley Port Integrated Transport	0.2	1.1	1.1	-	-	2.4
	Cross City Bus - City Centre & Druids Heath	6.0	16.0	-	-	-	22.0
	Coventry City Electric Bus	16.2	25.5	1.7	0.1	-	43.6
	Zero Emission Bus Regional Area (ZEBRA)	5.7	24.6	-	-	-	30.4
	Future Mobility Zone	8.3	-	-	-	-	8.3
	A435 Alcester Rd Bus Priority Revitalisation	1.2	-	-	-	-	1.2
	West Midlands Cycle Hire Scheme	0.3	-	-	-	-	0.3
	Key Route Network Safety	0.6	-	-	-	-	0.6
	Major Road Network	9.8	-	-	-	-	9.8
	Other Works	1.5	-	-	-	-	1.5
OTHER MAJOR SCHEMES PROGRAMME TOTAL		50.8	68.7	19.7	0.1	-	139.4
Minor Work Programme	Asset Management Programme	2.0	0.1	-	-	-	2.1
	Real Time Information Upgrades	0.8	-	-	-	-	0.8
	Better Streets Community Fund	0.4	-	-	-	-	0.4
	DfT Tackling Nitrogen Dioxide and Air Quality	1.2	-	-	-	-	1.2
	Strategic Transport Officer Group Top Slice	0.1	0.2	-	-	-	0.3
	Priority One Schemes	12.5	-	-	-	-	12.5
	Active Travel Fund	17.2	0.2	-	-	-	17.3
	Other Works	9.0	1.6	-	-	-	10.6
MINOR WORKS PROGRAMME TOTAL		43.2	2.0	-	-	-	45.2
GRANTS TO LOCAL AUTHORITIES PROGRAMME TOTAL	Birchley Island (Sandwell MBC)	0.5	-	-	-	-	0.5
	B4106 Spon End (Coventry CC)	1.0	-	-	-	-	1.0
	New St/High St/Victoria Sq Public Realm	2.1	-	-	-	-	2.1
GRANTS TO LOCAL AUTHORITIES PROGRAMME TOTAL		3.6	-	-	-	-	3.6
TRANSPORT TOTAL		359.5	444.2	182.1	56.0	22.3	1,064.2

Appendix 7
2022/23 Housing and Land Capital Budget

HOUSING AND LAND CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
IP Land	Brownfield Land & Property Development Fund (BLPDF)	6.8	3.1	0.7	0.1	0.0	10.8
Remediation	LPIF (Black Country Consortium)	16.6	59.5	20.1	20.1	17.0	133.3
Land Fund	Land Fund - Simon Digby	-0.0	0.6	1.8	0.6	-	3.0
	Land Fund - Stone Yard	0.0	1.0	0.0	1.0	0.0	2.1
	Land Fund - Abbots Lane	2.2	0.0	0.0	-	-	2.2
	Land Fund - Aga	0.2	0.3	0.3	0.5	0.2	1.5
	Land Fund - Portersfield	0.4	0.3	0.3	3.8	1.4	6.1
	Land Fund - Fountain Lane	0.7	1.0	0.7	-	-	2.3
	Land Fund - Brierley Hill	0.2	-	-	-	-	0.2
	Land Fund - Port Loop phase 3 & 4	2.1	1.2	0.0	-	-	3.3
	Land Fund - Culwell St	1.8	2.3	1.2	0.1	-	5.3
	Brownfield Land - Pipeline	20.6	24.7	25.1	13.7	7.5	91.6
	National Competitive Fund - West Longbridge	2.1	0.0	0.0	0.0	0.0	2.2
	Woodend Henley Manor Farm	0.8	0.2	-	-	-	1.1
	Brownfield Land - Phoenix Park	2.6	-	-	-	-	2.6
	Brownfield Land - Murdoch and Pitman	0.8	0.9	0.2	-	-	1.8
	Brownfield Land - Black Country Lvg Museum	0.7	0.0	0.0	-	-	0.7
	Brownfield Land - Globe House	0.6	-	-	-	-	0.6
	Brownfield Land - Erdington Baths	-	0.7	1.4	0.0	-	2.1
	National Competitive Fund - Pipeline	0.1	0.9	9.9	6.6	-	17.5
	Land Fund - Dobbs Street	0.0	0.0	0.2	0.3	-	0.6
	Land Fund - Lioncourt	0.4	0.2	-0.0	-	-	0.5
	Land Fund - Steelhouse Lane	0.0	-	-	-	-	0.0
	Land Fund - Pipe Hall	-0.0	-	-	-	-	-0.0
	Land Fund - Friar Park	0.4	0.1	0.0	4.5	0.0	5.0
	Land Fund - Pipeline	0.8	24.3	-	-0.1	-	24.9
	Land Fund - Abberley Street	0.5	-	0.0	0.0	0.0	0.5
	Land Fund - Cranford Way	0.1	0.0	0.1	-	-	0.2
	Land Fund - Caparo	0.8	0.4	0.5	0.0	-	1.7
	Land Fund - Icknield Port Loop Phase 2a and 2b	2.7	0.0	0.0	0.0	-	2.7
	Land Fund - Cookley Works	0.2	0.5	0.1	-	-	0.8
	Land Fund - Other	-0.0	0.0	0.0	0.0	0.0	0.1
HOUSING AND REGENERATION PROGRAMME TOTAL		65.1	122.3	62.6	51.3	26.1	327.4

Appendix 8
2022/23 Investment Programme Grants to Local Authorities Programme

INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIES		2022 /	2023 /	2024 /	2025 /	2026 /	TOTAL
CAPITAL PROGRAMME (£M)		2023	2024	2025	2026	2027	
Investment Programme	Coventry South Package - Tile Hill Station Improvements	0.0	3.1	3.8	-	-	6.9
	Coventry City Centre South Regeneration - City Centre	22.5	44.4	-	17.4	-	84.3
	Coventry City Centre South Regeneration - Friargate	23.8	2.5	1.5	-	-	27.9
	Coventry UKC Plus - Coventry Station Masterplan (CSMP)	2.7	-	-	-	-	2.7
	Coventry UKC Plus - UK City of Culture 2021 Regeneration	0.1	-	-	-	-	0.1
	Coventry UKC Plus - Coventry South Package	6.7	30.5	23.4	26.7	14.4	101.6
	Coventry UKC Plus - Coventry North Package	-	4.0	11.3	6.2	-	21.4
	Coventry UKC Plus - Very Light Rail: Transforming Connectivity	0.0	2.8	15.0	15.0	10.0	42.8
	UK Central Infrastructure Package - Programme Total	8.6	62.1	60.4	55.3	36.6	223.0
	UK Central HS2 Interchange - Programme Total	13.2	64.5	67.4	77.2	72.6	294.9
	CoW Technical Centre	6.1	1.6	0.1	-	-	7.8
	IP GRANTS TO LOCAL AUTHORITIES		83.7	215.6	182.8	197.7	133.5

Appendix 9
2022/23 City Regional Sustainable Transport Settlement Programme

This appendix provides an overview of the budgeted utilisation of funding from the West Midlands Region £1.05bn capital CRSTS Settlement, for which WMCA is accountable. It does not provide an overview of the expected gross expenditure for projects within the CRSTS programme, inclusive of expenditure funded from other funding sources administered by WMCA, or match funding sources administered by local authority partners.

Gross expenditure recognised by WMCA is reported within the Transport Capital Programme is detailed at **Appendices 5 and 6**. A reconciliation to the expenditure within the appropriate sections of these appendices is provided below.

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
GRANTS TO LOCAL AUTHORITIES							
Highways Maintenance							
	Coventry City Council	4.1	4.1	4.1	4.1	4.1	20.4
	Dudley Council	4.5	4.5	4.5	4.5	4.5	22.4
	Sandwell Council	4.7	4.7	4.7	4.7	4.7	23.7
	Solihull Council	3.9	3.9	3.9	3.9	3.9	19.4
	Walsall Council	3.6	3.6	3.6	3.6	3.6	17.8
	Wolverhampton City Council	3.3	3.3	3.3	3.3	3.3	16.6
	Subtotal	24.1	24.1	24.1	24.1	24.1	120.4
Local Network Improvement Plan							
	Birmingham City Council	6.3	6.3	6.3	6.3	6.3	31.3
	Coventry City Council	2.0	2.0	2.0	2.0	2.0	10.2
	Dudley Council	1.8	1.8	1.8	1.8	1.8	8.8
	Sandwell Council	1.8	1.8	1.8	1.8	1.8	9.0
	Solihull Council	1.2	1.2	1.2	1.2	1.2	5.9
	Walsall Council	1.6	1.6	1.6	1.6	1.6	7.8
	Wolverhampton City Council	1.4	1.4	1.4	1.4	1.4	7.2
	Subtotal	16.0	16.0	16.0	16.0	16.0	80.2
Grants to Projects							
	CRSTS - IG - East Birmingham to Solihull Corridor	0.1	0.5	1.4	3.5	5.6	11.0
	CRSTS - IG - East Bham to Solihull Bham	0.1	0.5	0.6	1.5	2.4	5.0
	CRSTS - CoP - Sutton Coldfield Gateway	0.2	0.5	2.5	10.8	11.0	25.0
	CRSTS - IG - Active Travel - A45 Segregated Cycleway	-	5.6	8.0	0.7	-	14.3
	CRSTS - HSaS - A38 Selly Oak to Longbridge Segregated Cycling	0.1	0.5	13.4	0.5	-	14.5
	CRSTS - HSaS - City Centre Active Travel to Interchange	0.1	8.0	2.2	9.7	-	20.0
	CRSTS - HSaS - One Station and Smallbrook Queensway	0.1	0.5	2.0	6.4	1.0	10.0
	CRSTS- CoP - Snow Hill Growth Strategy	-	-	3.9	1.2	-	5.0
	CRSTS - CRNaC - Foleshill Transport Package	1.0	3.5	-	-	-	4.5
	CRSTS - CoP - VLR P2 Cov Demonstration Route	6.4	9.8	17.2	5.6	15.6	54.5
	CRSTS - DaGR - Cov South Sustainable Transport (GIGA Factory)	0.5	8.0	8.5	-	-	17.0
	CRSTS - HSaS - Dudley Interchange Sustainable Connectivity	-	-	1.0	3.0	3.5	7.5
	CRSTS - HSaS - Stourbridge TC Sustainable Connect Package	-	-	0.8	1.6	0.6	3.0
	CRSTS - CRNaC - A461 Dudley WCB Corridor	0.1	0.9	11.5	-	-	12.5
	CRSTS - CoP - VLR P2 Innovation Centre Dudley	0.2	8.9	2.9	-	-	12.0
	CRSTS - IG - WBHE Sustainable Access Measures	-	4.5	5.0	6.5	-	16.0
	CRSTS - CRNaC - A461 Sandwell WCB Corridor	-	0.7	11.8	-	-	12.5
	CRSTS - IG - Smethwick - Birmingham Corridor Transport Package	0.3	0.8	4.0	8.0	6.0	19.0
	CRSTS - IG - East Bham to Solihull Damson Pkway	-	0.5	4.0	4.5	-	9.0
	CRSTS - CoP - UKC - Dorridge Bus Priority	-	0.5	1.0	1.5	2.0	5.0
	CRSTS - CoP - Solihull Station Integrated Transport Hub	-	0.8	1.3	1.5	1.5	5.0
	CRSTS - IG - Chester Road Segregated Cycleway and Capacity	-	0.2	0.8	2.0	3.8	6.8
	CRSTS - HSaS - Dickens Heath to Solihull Town Centre LCWIP	-	1.1	9.2	-	-	10.3
	CRSTS - HSaS - Knowle to Solihull Town Centre LCWIP	-	1.0	7.0	-	-	8.0
	CRSTS - CRNaC - Multi-modal Access HS2	-	0.3	0.8	2.0	2.0	5.0
	CRSTS - CRNaC - West Coast Mainline M42 bridge	-	0.5	0.8	1.8	2.0	5.0
	CRSTS - IG - BCW Access Darlaston and Willenhall Train Stations	0.2	0.1	2.7	-	-	3.0
	CRSTS - IG - A454 WCB Willenhall Core Walking Zone	-	-	0.2	2.0	2.6	4.8
	CRSTS - IG - A454 WCB Bentley Active Travel	-	-	0.2	0.5	0.9	1.6
	CRSTS - IG - A454 WCB Birchills Active Travel	-	-	0.4	0.8	2.0	3.2
	CRSTS - CRNaC - A41 Mox IP Wal TC WCB Corr	0.0	0.5	0.5	8.0	10.0	19.0
	CRSTS - CRNaC - BCW Access - Walsall Town Centre Interchange	-	-	0.3	0.4	0.4	1.0
	CRSTS - IG - Wolverhampton CC Walk, Cycle and Bus Package	-	5.5	4.0	-	-	9.5
	CRSTS - IG - A454 WCB Corridor Phases 1 and 2	-	0.4	0.4	1.1	-	1.9
	CRSTS - IG - A454 WCB Corridor East Park Active Travel	0.1	0.7	1.5	1.1	-	3.2
	CRSTS - IG - A454 WCB Corridor Phase 3	-	0.2	0.4	0.9	2.0	3.5
	CRSTS - HSaS - Black Country Walking and Cycling Package	-	2.0	2.0	2.0	2.0	8.0
	CRSTS - CRNaC - A4123 Walk, Cycle and Bus Corridor	0.2	1.8	7.0	10.0	10.1	29.0
	CRSTS - CRNaC - A449 Walk, Cycle and Bus Corridor	-0.0	1.5	3.5	3.0	-	8.0
	CRSTS - DaGR - ULEV Black Country	-	3.5	3.5	-	-	7.0
	Subtotal	9.5	73.9	147.8	101.9	86.9	420.1
GRANTS TO LOCAL AUTHORITIES (SUBTOTAL)		49.7	114.0	188.0	142.1	127.0	620.7

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
SUBTOTAL B/F		49.7	114.0	188.0	142.1	127.0	620.7
PROJECTS DELIVERED BY TFWM							
Projects introduced within CRSTS Programme							
City Region Sustainable Transport Settlement Programme	Metro Line 1 Renovation	7.5	18.8	3.6	-	-	30.0
	Rail Development	-	0.5	0.8	0.8	0.9	3.0
	Aldridge Station	0.5	1.0	3.0	5.5	20.0	30.0
	Hagley Road Rapid Transit	0.1	4.9	5.0	10.0	5.0	25.0
	A34 Walsall to Bham - Phase 2	3.6	11.4	10.7	4.9	-	30.6
	A45 Bham to Solihull - Phase 2	2.4	10.2	9.4	3.4	-	25.4
	Demand Responsive Bus	-	2.5	3.0	4.5	-	10.0
	BSIP Retrofit Programme	-	3.0	-	-	-	3.0
	Park and Ride Tile Hill and Whitlocks End	-	3.0	1.0	0.5	-	4.5
	BSIP Bus Priority Cross City Routes	6.0	35.0	18.0	-	-	59.0
	Mobility Hubs and E Bikes	-	3.3	2.3	3.1	-	8.6
	Swift cEMV contactless payment broker	7.3	8.9	1.8	-	-	18.0
	Ultra Rapid Charging Transit Stations	-	14.0	-	-	-	14.0
	ULEV	-	3.1	2.6	-0.7	-	5.0
	VLR P2 R&D	0.6	2.2	2.2	-	-	5.0
	CRSTS - Data Scheme Development Support	-	1.7	1.8	1.8	1.8	7.0
Subtotal	28.0	123.6	65.1	33.8	27.7	278.1	
SUBTOTAL C/F TRANSPORT CAPITAL PROGRAMME - CRSTS		77.7	237.6	253.0	175.8	154.6	898.8
		App 5 - CRSTS					
Other TfWM projects funded from CRSTS							
	Metro Network Enhancements - Wednesbury Depot Upgrades	8.5	14.8	14.1	-	-	37.4
	Metro Traction Power Phase 2	0.2	6.4	5.9	-	-	12.6
	Dudley Port Integrated Transport Hub	0.2	1.1	1.1	-	-	2.4
	WMCA Local Network Improvement Plan	5.5	5.5	5.5	5.5	5.5	27.3
	Transforming Cities Fund 2	71.5	-	-	-	-	71.5
	Subtotal	85.9	27.8	26.6	5.5	5.5	151.2
CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME		163.6	265.4	279.6	181.3	160.1	1,050.0

Appendix 10
Total Regional Investment Programme Expenditure as at 30th September 2022

PROGRAMME	COST TO COMPLETION			
	PRIOR PERIOD SPEND	2022 / 2023 FORECAST	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN
	£000	£000	£000	£000
COVENTRY UKC PLUS	194,177	85,523	429,822	709,522
SPRINT PROGRAMME	76,447	20,996	231,617	329,060
RAIL PROGRAMME	47,690	49,552	119,370	216,611
METRO PROGRAMME	482,918	142,668	1,057,417	1,683,002
UK CENTRAL INFRASTRUCTURE PACKAGE	88,655	90,426	1,174,139	1,353,220
UK CENTRAL HS2 INTERCHANGE	35,297	10,336	582,094	627,727
HS2 GROWTH STRATEGY TOTAL	925,182	399,502	3,594,459	4,919,143
COVENTRY CITY CENTRE SOUTH REGENERATION	55,370	38,453	240,294	334,117
INNOVATION PROGRAMME	37,876	5,896	151,227	194,999
LAND RECLAMATION AND REMEDIATION	55,918	25,327	118,756	200,000
COMMONWEALTH GAMES 2022	73,028	5,320	-	78,348
EMPLOYMENT, EDUCATION & SKILLS	1,023	293	18,687	20,002
BUSINESS AND TOURISM PROJECT - BATP	10,687	12,772	489	23,948
COVENTRY ELECTRIC BUS CITY	11,407	16,215	111,878	139,500
REGIONAL RECOVERY & RISKS	12,319	9,666	27,916	49,900
COLLECTIVE INVESTMENT FUND	87,111	38,915	873,974	1,000,000
OTHER INVESTMENT PROGRAMME SCHEMES	344,737	152,855	1,543,222	2,040,814
GRAND TOTAL	1,269,920	552,357	5,137,680	6,959,957

Appendix 11

WMCA Investment Programme Commitments as at 30th November 2022

£m	Total Expected Approvals	Approved Commitments	Actual Spend (Sep-22)
Coventry UK Central Plus	288.1	94.8	92.9
Sprint Programme	217.4	47.0	42.5
Rail Programme	113.9	63.0	25.1
Metro Programme	222.8	222.8	103.7
UK Central Infrastructure Package	288.0	34.6	24.2
UK Central HS2 Interchange	398.0	58.1	38.5
SUB TOTAL HS2 GROWTH STRATEGY	1,528.2	520.4	326.9
Coventry City Centre South Regeneration	150.0	150.0	52.0
Innovation Programme	50.0	16.1	13.7
Land Reclamation and Remediation	200.0	103.0	59.9
Commonwealth Games 2022	25.0	25.0	25.0
Employment, Education & Skills	20.0	1.3	1.2
Business and Tourism Project - BATP	2.6	2.6	0.3
Coventry Electric Bus City	5.0	5.0	0.4
Regional Recovery & Risks	41.3	30.4	5.8
OTHER INVESTMENT PROGRAMME	493.8	333.4	158.4
TOTAL	2,022.0	853.8	485.3

Appendix 12

WMCA Administered Funds – November 2022

Funding Stream	Grant Awarded £'000	Spend to Date £'000	Purpose
Midlands Connect	11,095	10,095	Revenue funding. Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
One Public Estate	1,453	664	Revenue funding. Agreed by WMCA Board that WMCA would assume accountable body status for this grant award, which is delivering various projects to secure more from public sector assets through collective action.
Community Renewal Fund	3,369	3,369	Revenue funding. This fund aims to support people and communities most in need across the UK. The fund will pilot programmes and new approaches to invest in skills, community and place, local business and supporting people into employment. The funding has now been fully utilised.
Emergency Active Travel Fund - Capital	10,304	3,887	Funding awarded to external local authorities for the delivery of an array of capital schemes to support the production of cycling and walking facilities throughout the region.
Emergency Active Travel Fund - Revenue	1,157	464	Revenue funding to support the above.
Total	27,378	18,479	

Appendix 13
WMCA Balance Sheet

WMCA Balance Sheet as at 30 November 2022			
	30 November 2022	31 October 2022	Movement
	£'000	£'000	£'000
Property, plant and equipment	689,926	681,891	8,035
Intangible assets	1,486	1,539	(53)
Investments	44,769	41,233	3,536
Loan Receivables	15,922	15,922	-
Long-term assets	752,103	740,585	11,518
Short-term debtors	102,026	99,990	2,036
Short-term deposits	706,055	731,055	(25,000)
Cash and bank	141	138	3
Current assets	808,222	831,184	(22,962)
Loans - interest due	(2,649)	(3,793)	1,144
Short-term creditors/accruals	(146,313)	(153,759)	7,446
Current liabilities	(148,962)	(157,552)	8,590
Net current assets	659,260	673,632	(14,372)
Provisions	(4,737)	(4,737)	-
Loans - PWLB	(498,308)	(500,591)	2,283
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(4,678)	(4,678)	-
Grants receipts in advance	(464,418)	(480,677)	16,259
Long-term liabilities	(982,141)	(1,000,683)	18,542
Net assets	429,222	413,534	15,688
General fund balance	2,742	2,953	(211)
Earmarked reserves	318,602	313,282	5,320
Capital grants unapplied reserve	1,841	1,841	-
Usable reserves	323,185	318,076	5,109
Revaluation reserve	6,126	6,126	-
Deferred capital grants account	727,463	719,481	7,982
Capital financing account	(623,690)	(626,287)	2,597
Financial Instruments Adjustment Account	(2,724)	(2,724)	-
Accumulated absences account	(1,138)	(1,138)	-
Unusable reserves	106,037	95,458	10,579
Total reserves	429,222	413,534	15,688

This page is intentionally left blank



WMCA Board

Date	13 January 2023
Report title	Very Light Rail Regional Package Strategic Outline Business Case
Portfolio Lead	Transport - Councillor Ian Ward
Accountable Chief Executive	Laura Shoaf - West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Anne Shaw - Executive Director, Transport for West Midlands email: anne.shaw@tfwm.org.uk
Report has been considered by	Investment Panel - 21 November 2022 Investment Board - 13 December 2022

The WMCA Board is recommended to:

1. Approve the Very Light Rail Regional Package (VLRRP) Strategic Outline Business Case (SOBC) at a total cost of £36.8m following the assurance work which has taken place, including endorsement of the case by Investment Board.
2. Approve that WMCA submit the Business Case to DfT (which is expected to result in DfT relaxing the retained status for this element of the programme).
3. Approve funding for draw-down within phase 1 of the business case delivery as follows (subject to the necessary DfT consents):
 - Costs totalling £8.988m for Coventry City Council (CCC), being the sum required to complete Phase One of the VLR project
 - Costs totalling £1.20m for Dudley Metropolitan Borough Council (DMBC)
 - Costs totalling £0.60m being the sum required to complete the initial works to be undertaken by TfWM
4. Endorse the financial conditions to apply to the capital grant as agreed between officers of the WMCA, Coventry City Council, Dudley Metropolitan Borough Council and Transport for West Midlands as set out in Appendix 1.

1. Purpose

- 1.1 Coventry faces several challenges such as poor air quality, areas of high deprivation, congestion, and a growing population. To address these issues, which are common in other small to medium size cities, it became clear that an attractive zero emission mass transit system capable of achieving significant modal shift would be required. However, traditional light rail is unaffordable for small to medium size cities like Coventry.
- 1.2 The Very Light Rail Regional Package (VLRRP) is critical to enable the UK to develop an economic growth strategy centred around Net Zero. It will deliver a new manufacturing sector, creating jobs and skills primarily in the West Midlands, which could extend to other areas of the UK. Whilst supporting UK plc, it will deliver a new mode of transport which will complement existing modes and enable small to medium sized cities to deliver a fully integrated and holistic approach to building a sustainable transport network.
- 1.3 In order to realise this potential Coventry City Council (CCC), Dudley Metropolitan Borough Council (DMBC) and Transport for West Midlands (TfWM) are seeking to deliver the VLRRP which requires £36.8m funding from the WMCA City Region Sustainable Transport Settlement (CRSTS) allocation for this project. This funding will support the completion of the Coventry Very Light Rail (CVLR) Research and Development (R&D) programme, equip the VLR National Innovation Centre (VLRNIC) in Dudley (to support the CVLR R&D programme and future programmes) and enable TfWM to carry out feasibility studies to assess the viability of CVLR to deliver extensions to current Midland Metro services.

2. Background

- 2.1 In July 2022, the Secretary of State for Transport confirmed approval of the WMCA CRSTS programme for 2022-27. This includes an allocation of £71.5 million for the Very Light Rail Regional Programme (VLRRP). This comprises of three specific elements:
 - Coventry Very Light Rail (CVLR) scheme promoted by Coventry City Council (CCC) (£54.5m)
 - Dudley Very Light Rail National Innovation Centre (VLRNIC) promoted by the Black Country Innovative Manufacturing Organisation (BCIMO) and Dudley Council (£12m)
 - Mass Transit Options Appraisal study which is to include an assessment of urban VLR promoted by Transport for West Midlands (TfWM) (£5m)
- 2.2 At the request of the Department for Transport (DfT.), the Strategic Outline Business Case (SOBC) includes all three elements of the Programme. However, future business cases will be submitted for each individual project. The appended SOBC requests approval for the initial drawdown of funding from the CRSTS allocation.
- 2.3 The three schemes within the business case complement each other:
 - CVLR is the pilot scheme, with Coventry leading the development of the VLR product and facilitating the construction of the first in-highway section of VLR track as the final demonstration of the proof of concept for the system.
 - VLRNIC is supporting the Very Light Rail R&D programme and providing test facilities for the system before the installation in a live highway.
 - TfWM are in the early stages of exploring the use of VLR technology for the additional route extensions for the Midland Metro.

2.4 The CVLR programme is requesting drawdown of £35.0m to:

- Progress the R&D phase of the vehicle and track and prove the installation cost savings are credible through the building of a real-world test/ demonstration route in the city centre.
- Investigate market potential through showcasing the benefits to the UK of a new fixed rail, zero emission urban mass transit product offering that has a lower whole life cost than current rail-based offerings and can be manufactured in the UK.
- Analyse and design a first route corridor to address key issues for Coventry with respect to mass transit, levelling up and air quality.
- Enable the compilation of evidence to support a Transport and Works Act Order submission for route 1, and an OBC to draw down the remaining funding allocation.

2.5 The VLRNIC programme is requesting drawdown of £1.2m to:

- Fund essential equipment to make the VLRNIC fully operational and able to support CVLR testing and the repairs of the West Midlands Metro CAF V2 Urbos tram fleet during 2023.
- Provide testing facilities to support Coventry City Council in the completion of offline R&D to establish that the CVLR system functions to specification.
- Further validation and clarification of this proposal and support development of the OBC for submission in 2023.

2.6 The Mass Transit Options Appraisal (TfWM) are requesting £0.6m to:

- Investigate the feasibility of the CVLR system compared to other transit forms on several key corridors, which will result in a prioritisation of one or two schemes to take forward to OBC.
- Investigate whether the CVLR track form can be used on the Midland Metro to reduce costs of maintenance and potential route extensions.
- Develop a route specific SOBC for the prioritised route (s) incorporating findings of the feasibility study.

2.7 Due to the scale of the investment, and the innovative nature of the project, the VLRRP has been retained by DfT for their assessment and final approval as part of the CRSTS settlement. A separate SOBC has been produced using DfT templates (but containing the same information as the appended SOBC which uses the WMCA template) and this will be submitted to the DfT for this purpose subject to WMCA Board approval.

2.8 As the VLRRP Programme is a retained scheme it is subject to the assurance processes of both the WMCA and the DfT. These assurance process have been twin tracked, and the DfT has had sight of, and commented upon, the SOBC appended to this report as well as the SOBC that is being prepared using the DfT's template. Regular meetings are being held with DfT and TfWM officials as part of the programme governance.

2.9 At the request of the DfT, the VLRRP has been submitted on a single SOBC to go through the initial phase of the assurance processes. Due to the elements of the VLRRP Programme being delivered independently and subject to project management and the governance structures of the organisation responsible for their delivery, these elements will move through the future stages of the assurance process as separate submissions. A Dependencies Analysis is appended to the WMCA SOBC document as part of

considerations around Key Risks, but programme and risk will be managed by the respective delivery organisation.

3. Financial Implications

3.1 The CRSTS Programme Level Business Case included an allocation of £71.5m for the VLR project which was expected to be distributed across three delivery bodies / sponsors (Coventry and Dudley Local Authorities and TfWM via WMCA). All allocations within the CRSTS programme are provisional and subject to the WMCA Single Assurance Framework and the subsequent approval to the budget via the delegated approval structures.

3.2 Very Light Rail is one of two schemes (together with Aldridge Station) in the CRSTS programme which DfT are treating as a retained scheme. This means that DfT will undertake their own assurance before confirming the funding can be made available for the scheme. Initial consent has, however, been obtained from DfT for £7.3m which relates to the expected 2022/23 costs.

3.3 The case presented to Board requests an in-principle funding allocation of £36.8m across the sponsors as follows:

Local Authority	CRSTS Programme Level Business Case (VLR Allocation)						This report requests approval for:
	22/23	23/24	24/25	25/26	26/27	Total Provisional Allocation	
Coventry	6.40	9.79	17.17	5.58	15.55	54.50	£35.0m in principle (authorised in gated stages) with £8.988m as per this report for Phase 1.
Dudley (BCIMO)	0.71	8.39	2.90	-	-	12.00	£1.2m to complete the initial works
WMCA (TfWM)	0.20	0.60	1.50	1.70	1.00	5.00	£0.6m to complete the initial works
Total	7.31	18.78	21.57	7.28	16.55	71.50	

3.4 As shown above, the most significant of the allocations is intended to be awarded to Coventry. Given the magnitude of the funding request, Investment Board agreed for the £35.0m to be released in four phases which can be delivered sequentially. Progression from one stage to the next would be subject to endorsement via WMCA Investment Board and based on an assessment of the latest scheme characteristics (expected out-turn, outputs, revised value for money metrics etc). It should be noted that WMCA Board would reserve the right to withhold funding in respect of expenditure on subsequent phases until it was adequately satisfied at these ‘gateway points’.

3.5 This report requests that £8.988m Phase 1 of 4 is approved for draw-down by Coventry, subject to DfT being content with the outcome of their assurance processes. The four phases are summarised below:

Phase of VLR development	Funding Requirement
Phase 1: vehicle testing and continued development, slab testing and development and City Demonstrator detailed design for construction	£8,987,777
Phase 2: preparation for construction of City Demonstrator including Traffic Management implementation to support an improved walking, cycling and public transport corridor within the city centre	£8,757,440
Phase 3: construction of phase 1 of City Demonstrator (circa 1km of twin track)	£11,440,474
Phase 4: completion of TWAO submission and completion of OBC compilation for the first route from rail station to University Hospital (based on evidence from City Demonstrator installation and operation)	£5,897,010
	£35,082,702

- 3.6 In addition, the report requests approval to draw down £1.2m and £0.6m of funds (again, subject to the necessary DfT consents) for Dudley MBC and WMCA respectively which will allow those sponsors to take the relevant tasks to the next stage in the WMCA Single Assurance Framework. These sums are in line with the CRSTS programme level business case agreed by WMCA Board.
- 3.7 The drawdown of funding will be in line with the standard processes, being quarterly in arrears and authorised by the relevant Section 151 Officer. Appendix 1 documents the specific conditions which were also provided to Investment Board.
- 3.8 It should be noted that the overall CRSTS programme included the requirement to identify c.15% of match programme funding from ‘non-Central Government’ sources. Coventry CC have confirmed the availability of £3.2m match funding, which is expected to be realised before the end of the CRSTS period, being 31 March 2027.

4. Legal Implications

- 4.1 The previous grant agreement from WMCA for investment in VLR has been expended and a completion report was issued to WMCA in September 2022. Coventry City Council will require a new grant agreement reflecting the outputs which are to be delivered with the terms and conditions to be agreed between the Council and WMCA. As this is a tri party application TfWM and DMBC will also require separate grant agreements reflecting the amount which is to be granted to each entity. The financial conditions of approval agreed between officers of WMCA, CCC, Dudley and TfWM are set out in Appendix 1.

5. Impact on Delivery of Strategic Transport Plan

- 5.1 Analysis of existing policy, plans, and strategies has demonstrated that the introduction of CVLR and VLRNIC will represent a strong strategic fit with objectives and delivery of the Strategic Transport Plan. This includes fulfilling objectives set out in local, regional, and national policies including reducing congestion, reducing climate and environmental impacts of travel, improving connectivity (and in turn the local economy) by supporting the generation of new industry and jobs in the West Midlands.

6. Equalities Implications

- 6.1 An Equalities Impact Assessment (EIA) for CVLR, was included in the SAF SOBC submission to Investment Board and is available upon request. This was produced by Coventry City Council in July 2022 and considers the impact on protected characteristic groups.
- 6.2 EIAs for TfWM and BCIMO elements of the package need to be undertaken but a high-level assessment of Equalities Implications has been provided to Investment Board and is available upon request.

7. Inclusive Growth Implications

- 7.1 The VLRRP intends to create opportunities for jobs and new manufacturing activity across the region whilst removing the current cost barrier that prevents medium sized local authorities from acquiring tram-based transport solutions. The CVLR project supports the inclusive growth objectives by providing connectivity between areas of high deprivation with areas of education, employment, health and retail, this programme will generate employment not only in the development, construction, and operational phases of the Coventry route but also by developing a market leading Very Light Rail product predominantly manufactured in the West Midlands which will generate employment opportunities throughout the supply chain. The development of the capabilities of the VLRNIC will enable the development of rail-based innovations including CVLR and provide training and support to the local supply chain across the rail-based transport sector. The application of these products into the route corridors of the west midlands will through the reduced cost and disruption, enable increased levels of mass transit connectivity throughout the region.
- 7.2 VLRRP supports the Government's Industrial Strategy, helping to tackle the "future of mobility" Grand Challenge, as well as supporting the objectives of the High Value Manufacturing Catapult in pursuing the design and manufacture of new high technology products and services in the UK to meet domestic needs and generate opportunities for exports. If the SOBC is not approved, then the growth outcomes detailed above are at risk.

8. Geographical Area of Report's Implications

- 8.1 While the VLRRP will directly benefit Coventry and Dudley – the 2 sites of the VLR development, the ripple effect created from the development of this unique technology will be felt throughout the West Midlands' region as other Councils take advantage of the economic and transport benefits outlined above. In particular, the VLRRP will provide a mass transit solution that could be implemented in communities across the West Midlands, an equipped VLRNIC to encourage and enable innovation and manufacture opportunities and mass transit feasibility studies (led by TfWM) which may demonstrate the case for CVLR in delivering light rail service extensions that could not be otherwise affordable to deliver.

9. Other Implications

9.1 The VLRRP will deliver several qualitative benefits as detailed in the SOBC (a summary is available upon request). If the SOBC is not approved, the benefits are at risk and an affordable VLR system will not be available for small/ medium size cities and towns such as Coventry.

10. Schedule of Background Papers

10.1 Appendix 1 VLRRP Financial Conditions (confidential appendix)

Available upon request.

- SAF Business Case Maturity Assessment
- SAF Risk and Investment Report
- VLRRP Equalities Implication

This page is intentionally left blank



West Midlands Combined Authority

Wellbeing Board

Monday 5 December 2022 at 10.00 am

Minutes

Present

Councillor Karen McCarthy
Jo Pitman
Pete Wilson

Birmingham City Council
West Midlands Police
West Midlands Fire Service

In attendance via MS Teams

Councillor Izzi Seccombe (Chair)
Councillor Margaret Bell
Councillor Ian Bevan
Councillor Kamran Caan
Councillor Tony Diccio
Councillor Julian Gutteridge
Councillor Suzanne Hartwell
Councillor Jasbir Jaspal
Sean Russell
Justin Varney

Portfolio Lead for Wellbeing
Warwickshire County Council
Dudley Metropolitan Borough Council
Coventry City Council
Solihull Metropolitan Borough Council
Nuneaton & Bedworth Borough Council
Sandwell Metropolitan Borough Council
City of Wolverhampton Council
Universities West Midlands (Coventry)
Association of Directors of Public Health
Representative

Item Title No.

22. Inquorate Meeting

The meeting was inquorate and therefore the recommendations contained within the minutes would be submitted to the WMCA Board on 13 January 2023 for formal approval.

23. Apologies for Absence

Apologies for absence were received from Mark Axcell (Black Country Integrated Care Board), Dr Sue Ibbotson (Office for Health Improvement & Disparities) and Sarah Marwick (NHS England, General Practitioner Representative).

24. Minutes - 6 September 2022

The minutes of the meeting held on 6 September 2022 were agreed as a correct record.

25. Chair's Remarks (if any)

The Chair noted that at the previous Wellbeing Board a proposal was put forward for any board members that may be interested in fulfilling the role of Vice-Chair which was previously held by Councillor Paulette Hamilton. The Chair was delighted to announce that two board members had shown keen interest who were Councillor Karen McCarty (Birmingham) and Councillor Jasbir Jaspal (Wolverhampton).

Justin Varney put forward a formal proposal to board members to consider acceptance of both candidates as Vice-Chairs to strengthen the resonance of the board by representation from the Black Country, Birmingham and Solihull areas.

Resolved:

- (1) That the nominations of Councillor Jasbir Jaspal (Wolverhampton) and Councillor Karen McCarthy (Birmingham) to fulfil the roles of Vice-Chairs of the Wellbeing Board be agreed.

26. Trailblazing Devolution Deal - Health

The board considered a presentation from the Head of Health & Communities to update on the health proposal of the Trailblazing Devolution Deal which would continue from the work of the Health of the Region report and the recognition of how hard systems were already working in the WMCA seeking to play a role within, to be able to aid the system and to move on and shift some long-standing inequalities. The health and wellbeing proposals would focus on four specific areas of the Devolution Deal in working with government to add value to current systems and local initiatives which were:

- i) Health Improvement Duty
- ii) Health Partnership
- iii) Health and work
- iv) Digital innovation and prevention

The Head of Health & Communities noted that the presentation was the first version which had already been seen by local authorities in the region and that the WMCA was working with government and ministers on what they would agree to and that following feedback a second version would be drafted and shared with local authorities and health partners including Integrated Care Board's for comment and agreement.

Resolved:

- (1) That the presentation be noted.

27. Mental Health Commission Interim Report

The board considered an interim report from the Head of Mental Health Partnerships to update on the work of the WMCA-convened Mental Health (MH) Commission, with a particular focus on the membership, purpose and scope on the work of the Commission thus far and forthcoming work.

The WMCA had convened a Mental Health Commission that commenced in May 2022 due to the strong consensus that the pandemic had undermined mental health and wellbeing in the region, as deemed from the evidence gathered in the Health of the Region report.

The Head of Mental Health Partnerships noted the six topic areas, as agreed through discussion with Commission members and highlighted the emerging recommendations from the first three topics.

The Head of Health & Communities re-iterated to the board that the interim report noted the emerging findings that were yet to be finalised and that it was hoped with the final recommendations following discussion with all of the relevant partners to ensure actionable items and identification in each of the partners to take forward.

Action:

- (1) The Chair agreed to an action raised by Justin Varney for board members to receive the emerging recommendations and to share within their respective organisations and feedback to the Head of Mental Health Partnerships as to whether the recommendations were pragmatic and achievable.

Resolved:

- (1) That the progress that had been made with the work of the Mental Health Commission thus far be noted;
- (2) That the feedback on the initial findings and emerging recommendations comprised in the respective 'topic reports', particularly indicating priority areas for action and highlighting other useful and local sources of evidence, be noted;
- (3) That the identification of any key stakeholders from whom feedback on the initial findings and emerging recommendations should be sought be noted;
- (4) That it be noted that there would be a final Mental Health Commission session at the end of January 2023 to start developing the final report, which would be brought back to the Wellbeing Board for consideration.

28. Skills, Employment and Health

The board considered a report from the Head of Health & Communities to follow the continued evolution of the WMCA's role in the health and wellbeing space, and agreement around the key contribution it can uniquely make on the wider determinants of health through its devolved levers and begin to realise the proposition of a 'health in all policies' (HIAP) approach, starting with skills and employment.

The Head of Health & Communities gave a brief overview of the WMCA skills portfolio, followed by insight into the impact of skills (and employment and income) on health and current and emerging activity for further development.

The Director of Employment & Skills provided a brief overview of the Skills Team and noted annual funding received which was used to commission a wide range of skills programmes and that it would be an exciting opportunity to work with the Health Team within the same directorate to join workstreams together to benefit employment and skills on health.

Resolved:

- (1) That the background and current activity in this area be noted;
- (2) That the additional activity, including specific interventions, areas of best practice and key stakeholders to engage, to amplify 'health in all policies' in employment and skills be noted.
- (3) If there was sufficient interest and availability, it be agreed that a board lead be appointed for more regular consultation to advise further development in this area of work.

29. Delivering a Long Lasting Commonwealth Games Physical Activity and Wellbeing Legacy

The board considered a report where a presentation was also shared from the Strategic Lead for Wellbeing & Prevention to provide a summary of the Commonwealth Games Physical Activity and Wellbeing legacy and how the WMCA, Sport England and partners were working together to ensure that the Games was a catalyst for long term change to improve health and reduce inequalities by getting more people active, and in by doing so, setting out the intentions to develop a long-term Sport England and WMCA partnership.

The agenda item included a joint presentation by the Strategic Lead for Wellbeing & Prevention and Adam Rigarlsford from Sport England which highlighted the achievements and opportunities the Games had presented to the West Midlands region, legacy ambitions and commitments for physical activity and wellbeing and to build on the Mental Health Commission sport and physical activity recommendations within the partnership plan.

Justin Varney noted the importance as a board to maintain a laser focus on physical inactivity and ambition to increase people achieving less than 30 minutes of physical activity per week as although the Games had reinvigorated people's passion and minds, the inactivity challenge remained a long-term concern and challenge. Justin further noted it would be helpful for the board to support this partnership approach in asking Integrated Care Systems in what they were doing in relation to secondary prevention in physical activity for creating change and embedment.

The Chair suggested whether more should be undertaken to support walking groups which not only brought people together to walk but also addressed other issues such as loneliness.

The Strategic Lead for Wellbeing & Prevention agreed with the comments received for a laser focus from locality up to region in targeting people doing less than 30 minutes per week physical activity and noted that walking and cycling during the Games was the biggest opportunity and highest evidence based to work better as a system with Transport for West Midlands colleagues and the Walking & Cycling Commissioner to begin to identify how to instigate that larger behaviour change to positively complement environmental change, air quality and community wellbeing with a partnership paper to be brought to a future board meeting.

The Chair summarised from the discussions that there were a lot of areas the report noted a focus on for the Games legacy, however out of the discussions there were a few areas that were not so obvious and were areas the board would like to address inactivity and in the identification of a board member to champion this piece of work through expressions of interest and to receive a further update report at a future board meeting.

Resolved:

- (1) That the overview of the Commonwealth Games Sport and Physical Activity legacy delivery be noted;
- (2) A regular briefing be received on the impact and learning on Commonwealth Games physical activity delivery. Although the WMCA was not accountable, there was considerable value in highlighting the progress, impact and learning;
- (3) It be agreed to receive a report for approval at the next meeting on the WMCA and Sport England partnership, setting out intentions on contributing to the proposed health duty and also enabling the delivery of a long-lasting Games physical activity legacy, co-designed with Wellbeing Board stakeholders.

30. Wellbeing Programmes Update

The board considered a report from the Head of Health & Communities to outline the progress made against high level deliverables agreed by the Wellbeing Board in July 2022.

In response to a question from Councillor Karen McCarthy who queried the disparity in the Thrive into Work Key Performance Indicator figures lower for Birmingham and Solihull areas as compared to other areas of the region, the Head of Health & Communities noted further data had been received since the data was published within the report, however was already aware of the disparity and would seek further analysis from the performance team and would respond directly with an update to Councillor McCarthy and Councillor Tony Diccio.

Action:

- (1) The Chair agreed to a suggestion from the Thrive into Work – Strategy & Delivery Consultant to provide a report at a future Wellbeing Board meeting on the Thrive into Work funding allocation and activities of the programme.

Resolved:

- (1) That the progress to date on the 2022/23 High Level Deliverables be noted;
- (2) That it be agreed that the board continued to receive an update on the High Level Deliverables at each future meeting.

[The meeting ended at 12:01pm]



West Midlands Combined Authority

Environment & Energy Board

Wednesday 7 December 2022 at 10.00 am

Minutes

Present

Councillor Ian Courts (Chair)

Portfolio Lead for Environment, Energy & HS2

Councillor Rob Clinton

Dudley Metropolitan Borough Council

Councillor Andy Mackiewicz

Solihull Metropolitan Borough Council

In attendance via MS Teams

Councillor Peter Hughes

Sandwell Metropolitan Borough Council

Councillor Majid Mahmood

Birmingham City Council

Item Title

No.

10. Inquorate Meeting

The meeting was inquorate and therefore the recommendations contained within the minutes would be submitted to the WMCA Board on 13 January 2023 for formal approval.

11. Welcome and Introduction to the National Brownfield Institute

The Chair welcomed members to the meeting being held at the National Brownfield Institute in Wolverhampton.

The Chair acknowledged receipt of a nine-point action plan document given to attendees at the start of the meeting from a member of the public who was given the opportunity by the Chair to speak of their concern to metro extension programmes in the West Midlands for building new tram routes, who believed was wasteful from an environmental point of view and duplicated existing bus and rail networks.

12. Apologies for Absence

Apologies for absence were received from Councillor Kerry Murphy (Walsall), Councillor Jim O'Boyle (Coventry), Matthew Rhodes (Energy Capital West Midlands) and Suzanne Ward (Environment Agency).

13. Minutes - 28 September 2022

The minutes of the meeting held on 28 September 2022 were agreed as a correct record.

14. Matters Arising

(a) Matters Arising – West Midlands Greener Together Forum (Minute no.4)

Councillor Peter Hughes had suggestions for venues in the Sandwell area for consideration to host future meetings that the Head of Environment welcomed and noted would communicate with officers from Sandwell Metropolitan Borough Council. The Head of Environment noted that the WMCA would welcome all venues for hosting the West Midlands Greener Together Forum across the Combined Authority area and that hybrid meetings had taken place in Digbeth and Coventry so far.

(b) Community Green Grant Update (Minute no.5)

In response to Councillor Hughes who requested an update on areas of low take-up to the community green grant programme, the Head of Environment noted that the Community Green Grants Officer continued to meet with community groups to encourage applications and for the first time an application had been received from every Constituent Authority area that had progressed to the grant assessment panel.

(c) Net Zero Neighbourhood (Minute no.6)

Councillor Hughes requested clarification of the net zero neighbourhood working group and to receive an update on timescales for establishment, membership, objectives and outputs to achieve an actionable working group. The Executive Director for Strategy, Integration & Net Zero noted the programme was developing at pace and there were written plans from five out of the seven Constituent Authority areas that the WMCA was seeking investment for and that there was a wider working group that involved all Constituent Authority officers for a clear focus on delivery and action that would commence with the first net zero neighbourhood demonstrator in Brockmoor following the award of £1.65m grant funding.

15. Environment Programme Update

The board considered a report where a presentation was also shared from the Head of Environment to provide an update on the progress across the environment work at the WMCA which included a forward look on priorities over the next three years.

Following the presentation, the Chair reflected that there was no easy answer to resolve the issues of climate change, however there were many actions that would be required to support and noted his observations that there were key points within the environment programme to commence and influence at scale, ensure funding was focussed to generate the greatest results and measurement of workstreams to identify global relevance and the significance of action taken within the West Midlands region and from the United Kingdom as a whole to promote green growth and from technological advances.

Councillor Majid Mahmood noted whether the virtual forest tree programme could be promoted further as there was an ambition from Birmingham City Council to plant further trees, particularly as requests had been received from friends of parks community groups for further trees and from residents for fruit trees to support further funding. The Chair noted that every local authority would have their own tree planting targets, however identification of targets and use of registration of trees on the virtual forest or other initiatives such as the Queen's Green Canopy from the seven Constituent Authorities and Non-Constituent Authorities for oversight would prove beneficial to know.

Resolved:

- (1) That the progress across the WMCA environment programme be noted,
- (2) That the suggested areas for future updates at board meetings be agreed.

16. West Midlands Circular Economy Routemap Update

The board considered a report from the Circular Economy Project Delivery Officer to provide an update on the progress of the West Midlands Circular Economy Routemap since it was approved in September 2021 which consisted of three key pieces of work underway of an industrial symbiosis business case, a framework to support repurposing of buildings and a business case to reduce construction waste and overview of priorities for the next year.

The Chair summarised from discussions that there was support from the board to the Circular Economy Routemap, however noted concern the report did not highlight the quick wins for next years priorities and by when, which would be helpful for the board to be sited on and scale of operation on net zero construction work.

Resolved:

- (1) That the progress made in implementing the Circular Economy Routemap be noted.

17. SMART Hub Update

The board considered a verbal update from the SMART Hub Lead to update on three funding bids that had been submitted by the WMCA within the last few weeks.

- i. The Social Housing Decarbonisation Fund to support social landlords across the region in an aim to retrofit 2,000 homes.
- ii. The Home Upgrade Grant to support private sector homes not connected to the gas network.

- iii. Funding through Innovate UK to the Net Zero Living Programme to support development of the business case and the finance model that would underpin the zero neighbourhood to look to provide more evidence around the wider social benefits of retrofit and how those can be monetised to improve the business case to investment.

Resolved:

- (1) That the update be noted.

18. Emergency Tree Fund Update

The Chair agreed to defer consideration of this item to the next meeting of the board on Wednesday 1 March 2023.

19. Trailblazer Devolution Deal Net Zero & Environment

The board considered a verbal update from the Executive Director – Strategy, Integration & Net Zero on the net zero and environment proposals of the Trailblazer Devolution Deal and noted the Secretary of State’s intention was to secure a deal by the end of January 2023.

The WMCA was currently awaiting feedback from each government department on the deal proposals put forward, however it was anticipated to receive new deal text shortly that would be shared with local authority leaders and chief executives for discussion early in the new year, as well as shared at the WMCA Board on 13 January to include a number of net zero proposals.

Resolved:

- (1) That the update be noted.

20. Greener Together Forum

The Chair agreed to defer consideration of this item to the next meeting of the board on Wednesday 1 March 2023.

[The meeting ended at 11:30am]



**West Midlands
Combined Authority**

Investment Board

Monday 12 December 2022 at 11.00 am

Minutes

Present

Councillor Bob Sleight (Chair)
Nick Abell

Councillor Mike Bird
Councillor Steve Clark
Councillor Jim O'Boyle
Councillor Bob Piper
Sue Summers
Gary Taylor

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local
Enterprise Partnership
Walsall Metropolitan Borough Council
Dudley Metropolitan Borough Council
Coventry City Council
Sandwell Metropolitan Borough Council
West Midlands Development Capital
Greater Birmingham & Solihull Local
Enterprise Partnership

Item Title No.

89. Apologies for Absence

Apologies for absence were received from Paul Brown (Black Country LEP), Councillor Karen Grinsell (Solihull), Councillor Tony Jefferson (non-constituent authorities), Councillor Brigid Jones (Birmingham) and Councillor Stephen Simkins (Wolverhampton).

90. Minutes - 14 November 2022

The minutes of the meeting held on 14 November 2022 were agreed as a correct record.

91. Investment Programme Update

The board considered a report from the Director of Commercial & Investment on the status of the Investment Programme to help set the context for the investment decisions being made.

The report provided an analysis of the overall regional Investment Programme expenditure, funded by both grants administered by the WMCA and match funding sources. Approved grant funding awarded and administered by the WMCA to programmes within the regional Investment Programme now totalled £853.8m as at 30 November 2022. The report also set out the submissions approved since the last meeting of the board.

Resolved:

- (1) The approval of the business case submissions by officers under delegated authority be noted.
- (2) The Investment Programme funding status and current affordable limit be noted.
- (3) The regional Investment Programme delivery update, including the project-level summary within the Investment Programme dashboard, be noted.
- (4) It be noted that, as with previous years, there would not be new data available for an Investment Programme Update report for the meeting of the board on 9 January 2023 due to the Christmas break.

[NB. Councillor Bob Sleight declared a personal interest in this item due to him being a board member of the Solihull Urban Growth Company.]

92. Update Report: City Region Sustainable Transport Settlement - Quarter 2 Financial Year 2022/23

The board considered a report from the Head of Strategy & Intelligence, Transport for West Midlands setting out the requirements for the monitoring, evaluation and reporting of the City Region Sustainable Transport Settlement programme. The report also provided an update on programme progress to date, setting the context for the investment decisions being made by the board.

The West Midlands had submitted a programme-level business case consisting of 50 projects and programmes totalling an investment of over £1bn in transport improvements. This investment included a Government grant of £1.05bn, along with £120.1m as a local contribution from West Midlands local authorities. In addition to it being good practice to regularly monitor programme performance, as part of the funding conditions associated with the City Region Sustainable Transport Settlement allocation, the WMCA, acting as the accountable body, was required to undertake monitoring and evaluation of the programme. The Department for Transport also required a quarterly update on programme progress.

Councillor Jim O'Boyle noted that a number of schemes within the City Region Sustainable Transport Settlement programme would require funding towards the end of their delivery timescale and stressed the importance of ensuring that sufficient funding was kept within the programme to account for this. Gary Taylor enquired about the impact of the non-delivery of schemes. The Head of Strategy & Intelligence confirmed that all combined authorities were discussing this with the Department for Transport, and Transport for West Midlands had change processes, over-programming and reserve schemes available to ensure that if some schemes were unable to be delivered, funding could be re-targeted towards other schemes.

Resolved:

- (1) The monitoring, evaluation and reporting requirements associated with the City Region Sustainable Transport Settlement be noted.
- (2) The programme monitoring plans be noted.
- (3) The quarter 2 financial year 2022/23 progress be noted.

93. Collective Investment Fund Dashboard

The board considered a report detailing the Collective Investment Fund dashboard as at 1 December 2022.

Resolved:

The report be noted.

94. Brownfield Land & Property Development Fund Dashboard

The board considered a report detailing the Brownfield Land & Property Development Fund dashboard as at 1 December 2022.

Resolved:

The report be noted.

95. Revolving Investment Fund Dashboard

The board considered a report detailing the Revolving Investment Fund dashboard as at 1 December 2022.

Resolved:

The report be noted.

96. Exclusion of the Public and Press

Resolved:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as it was likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act.

97. Very Light Rail Regional Package Strategic Outline Business Case

The board considered a report from the Senior Programme Manager, Coventry City Council seeking to deliver the Very Light Rail Regional Package, which required £36.8m funding from the City Region Sustainable Transport Settlement to support the completion of the Coventry Very Light Rail research and development programme, equip the Very Light Rail National Innovation Centre in Dudley to support the Coventry programme and future programmes, and to enable Transport for West Midlands to carry out feasibility studies to assess the viability of Coventry Very Light Rail to deliver extensions to current Midland Metro services.

The City Region Sustainable Transport Settlement contained an allocation of £71.5m for the very light rail regional programme, containing three elements:

- Coventry Very Light Rail scheme;
- Dudley Very Light Rail National Innovation Centre;
- Mass transit options appraisal study.

It was intended that these three schemes would complement each other.

Councillor Mike Bird stressed the importance of seeking to procure local firms to support this programme of works. The Senior Programme Manager reported that 67% of the programme's funds were currently expected to be spent within the UK, and it was hoped that this figure would increase. The Director of Transportation & Highways, Coventry City Council indicated that a local production manufacturer for the very light rail vehicle was being sought through the procurement process.

In response to a question from Gary Taylor, the Director of Transportation & Highways confirmed that the very light rail vehicles would be able to operate on metro tracks should the network ever be extended to Coventry.

Resolved:

- (1) The progression of the Very Light Rail Regional Package strategic outline business case to the WMCA Board on 13 January 2023 be endorsed.
- (2) The request for funding of £36.8m through the strategic outline business case submission from the City Region Transport Settlement Scheme be recommended for approval.
- (3) The financial conditions of approval agreed between officers of the WMCA, Coventry City Council, Dudley Metropolitan Borough Council and Transport for West Midlands be endorsed.

98. Metro Line 1 Renewals Full Business Case Approval for Spend Under the City Region Sustainable Transport Settlement

The board considered a report from the West Midlands Metro Project Director on the on-going investment required on the existing metro infrastructure in order to keep the network safe, reliable and operational.

The metro line one infrastructure was over 20 years old and had had little significant replacement of equipment over this time, resulting in an increasing number of failures of the existing equipment, including failures of the overhead line equipment which had caused a closure of the whole line. A programme of renewals of key infrastructure, including overhead line, track and other equipment needed over the next five years had been developed with Midland Metro Ltd. Transport for West Midlands was asked to add on to this the annual repair works that would be anticipated for the next five year period. The costs of these works were included in the City Region Sustainable Transport Settlement funding, including funding allocated to line one renewals for the most urgent of these works.

Councillor Mike Bird noted the amount of funding required to keep the metro operational and stressed the importance of ensuring that close attention was being paid to ensure that this was used efficiently and effectively.

Resolved:

- (1) The progression of the Line One Renewals full business case to the WMCA Board on 13 January 2023 be endorsed.
- (2) The request for funding of £27.85m through the full business case submission from the City Region Sustainable Transport Settlement scheme be recommended for approval.
- (3) It be noted that a business justification case for urgent line one renewals had been previously approved in the sum of £2.15m, bringing the overall total City Region Sustainable Transport Settlement funding for line one renewals to £30m.
- (4) The appraisal recommendations be endorsed.
- (5) A further report be submitted to the board in 12 months' time setting out the progress made in delivering these renewal works.

99. West Midlands Growth Company Funding

The board considered a report from the Director of Policy & Partnerships, West Midlands Growth Company providing a business justification case for funding the West Midlands Growth Company to enable it to establish itself as a going concern by 31 December 2022.

A verbal update was provided before the item was considered. This amended the recommendations set out in the report insofar as it removed the underwrite expressed in recommendation (3)c within the report and was reflected in these minutes under the noted resolution.

At its meeting on 13 May 2022, the Economic Growth Board indicated its support in principle that the West Midlands required activity from the West Midlands Growth Company similar in scope and scale to the Business & Tourism Programme going forward. The board subsequently initiated a detailed options review for the growth company to consider its priority functions, governance arrangements and longer term sustainable funding. The review was due to conclude with a report to the WMCA Board on 10 February 2023. Whilst this review was ongoing, as a company limited by guarantee it was required to establish that it was a going concern (ie. capable of meeting its financial obligations) for the next financial year in the submission of its statutory accounts, which had to be filed by 31 December 2022. The report proposed a means by which this could be established.

Councillor Mike Bird stressed the importance of the West Midlands Growth Company being able to demonstrate the value it brought to the region and how it added to work already being undertaken by the WMCA and its constituent member authorities. It was necessary for greater performance data to be made available to demonstrate how it delivered benefit to each district within the region. The Director of Policy & Partnerships welcomed the forthcoming governance review that was to be undertaken, and recognised that the growth company needed to be more transparent in its reporting, especially to the Economic Growth Board. She also considered refreshed performance indicators would help to better demonstrate the benefits of the work of the growth company. Nick Abell welcomed the undertaking of a governance review, stressing the importance of good governance underpinning the work of the West Midlands Growth Company.

Resolved:

- (1) The business justification case in light of the on-going review of the West Midlands Growth Company be noted.
- (2) It be noted that the objectives, outcomes and benefits set out in the business justification case were subject to change.
- (3) The £4m proposal for submission to the WMCA Board, for the period 1 April 2023 to 31 March 2024 to the West Midlands Growth Company, be endorsed, comprising the following three income streams:
 - (i) £700,000 from the WMCA's core budget;
 - (ii) £1.6m from the UK Shared Prosperity Fund, subject to the approval of the WMCA's investment plan proposal by the Department for Levelling Up, Housing & Communities and a confirmation of the total allocation;
 - (iii) £1.7m contribution from the Commonwealth Games residual contingency funding, subject to the confirmation of the total allocation from the Government.

[NB. In accordance with paragraph 18.12 of the constitution, Councillor Mike Bird requested that it be recorded that he voted against these resolutions.]

100. Far Gosford Development Ltd - Telegraph Hotel, Coventry

The board considered a report from West Midlands Development Capital seeking approval of a further three year extension to the existing Collective Investment Fund loan, continuing on investment facility terms but amended to reflect the current market and trading position of the hotel.

Gary Taylor sought clarification on the valuation that had been obtained for the project. The Investment Director - Property, West Midlands Development Capital indicated that the project would be re-valued, but he expected that with actual trading figures available rather than the estimates previously used, the valuation would be significantly greater than that obtained in 2020.

The Director of Commercial & Investment confirmed that he considered this to be a low risk scheme.

Resolved:

A further three-year extension to the existing Collective Investment Fund loan, continuing on the investment facility terms but amended to reflect the current market and trading position of the hotel, be approved on the terms included within the report.

[NB. Nick Abell declared a personal interest in the item due to his employment with Wright Hassall, who had acted on behalf of Complex Development Projects Ltd, owners of Far Gosford Developments Ltd.]

101. Mira Technology Park Ltd - Watling Street, Nuneaton

The board considered a report from West Midlands Development Capital seeking the re-approval of an existing Brownfield Land & Property Development Fund grant now to be in the name of Mira Technology Park Ltd rather than Encocam Newco SPV, as had been previously agreed by the Investment Board on 17 October 2022.

The Investment Director - Property, West Midlands Development Capital reported that this change was proposed in order to reflect the new owners of the site, which was considered a positive change from the WMCA's perspective. He confirmed that the funding would only be released when Mira Technology Park had demonstrated that it was making the other funding investments required.

Resolved:

The existing Brownfield Land & Property Development Fund grant, as detailed within the report and previously approved at the Investment Board on 17 October 2022, but now to be in the name of Mira Technology Park Ltd as applicant, rather than Encocam Newco SPV, be re-approved.

102. Collective Investment Fund Dashboard

The board considered a report detailing the Collective Investment Fund dashboard as at 1 December 2022.

Resolved:

The report be noted.

103. Brownfield Land & Property Development Fund Dashboard

The board considered a report detailing the Brownfield Land & Property Development Fund dashboard as at 1 December 2022.

The Head of Property Finance, West Midlands Development Capital confirmed that this £50m fund was fully committed, although the opportunities to claw back funding was constantly being reviewed.

Resolved:

The report be noted.

104. Revolving Investment Fund Dashboard

The board considered a report detailing the Revolving Investment Fund dashboard as at 1 December 2022.

Resolved:

The report be noted.

105. Black Country Land & Property Investment Fund Dashboard

The board considered a report detailing the Black Country Land & Property Investment Fund dashboard as at 1 December 2022.

Resolved:

The report be noted.

106. Housing & Land Funds Dashboards

The board considered a report detailing the Housing & Land Funds dashboards as at 1 December 2022.

Gary Taylor indicated that he had not yet received further details on the disposal strategy in respect of projects indicated as having such in the dashboard, including two in Sandwell. The Head of Strategy & Analysis (Housing, Property & Regeneration) undertook to provide this information.

Resolved:

The report be noted.

107. Date of Next Meeting

Monday 9 January 2023 at 11.00am.

The meeting ended at 12.30 pm.



West Midlands Combined Authority

Overview & Scrutiny Committee

Thursday 15 December 2022 at 10.00 am

Minutes

Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Martin McCarthy	Solihull Metropolitan Borough Council
Councillor Lauren Rainbow	Birmingham City Council
Councillor Paul Sweet	City of Wolverhampton Council
Councillor Jamie Tennant	Birmingham City Council
Amanda Tomlinson	Black Country Local Enterprise Partnership
Councillor Vera Waters	Walsall Metropolitan Borough Council

In Attendance

Dan Essex	Governance Services Manager
Linda Horne	Executive Director of Finance and Business Hub
Lyndsey Roberts	Scrutiny Officer
Laura Shoaf	Chief Executive
Andy Street	Mayor of the West Midlands
Councillor Bob Sleigh	Portfolio Lead for Finance

Item No. Title

101. Welcome and Introductions

The Chair welcomed the Mayor, Portfolio Lead for Finance and members of the committee to the second mayoral question time for 2022/23 that would be focussing on the proposed draft 2023/24 budget.

102. Apologies for Absence

Apologies for absence were received from Councillor Akhtar (Coventry), Councillor Burrow (Solihull), Councillor Chalk (Worcestershire), Councillor Fenton (Sandwell), Councillor Lumby (Shropshire) and Councillor Sutherland (Staffordshire).

103. Questions to the Mayor and the Portfolio Lead for Finance from Members of the Committee

The committee pursued a number of general lines of enquiry with the Mayor and the Portfolio Lead for Finance, including the sustainability of the budget, the investment programme, the trailblazer devolution deal and transport.

With regards to a mayoral precept, whilst the reasons for choosing not to set a precept during the mayoral term was recognised, the committee considered that the collective decision made not to support the introduction of a precept had had an impact on the sustainability of the WMCA's budget. In terms of the trailblazer devolution deal, it was acknowledged that the decision not to set a precept could affect negotiations with Government, however this decision had been weighed against the economic pressures on individuals paying taxation.

The Mayor and Portfolio Lead for Finance answered questions in relation to the Government's financial support packages for bus and light rail, redistribution of taxes, capital investment for longer term transport strategies to improve connectivity, reliability and public transport times, financial challenges for existing and future supported transport policies, patronage levels, subsidised routes and criteria, value for money and the West Midlands Growth Company.

In terms of train services, in particular the Aldridge route, the Mayor explained that this route would be funded through the City Region Sustainable Transport Settlement and its business case had yet to be approved. In addition, the latest position with regards to the delivery of HS2 and the benefits of the introduction of the car park located in Solihull was also noted.

The committee questioned whether there were any constraints within the budget that might have an impact on the WMCA's net zero targets. Whilst the WMCA continued to make good progress in terms of the reduction in transport emissions, addressing the energy efficiency of homes was a challenge in terms of resource. In addition, members explored the potential for new builds to be carbon neutral and how the WMCA could influence this.

To enable scrutiny members to hold those responsible to account, members sought assurances that 'accountability' was embedded within the WMCA's Single Assurance Framework. There were a number of areas where accountability was built in, and members were assured that public dashboards were available that demonstrated the outputs achieved.

In terms of the work undertaken on the proposed investment zones, the Mayor explained how this work would be utilised for future 'levelling up zones' and would be of value for future projects for the region.

Recommended:

The following observations be shared with the Mayor and WMCA Board for consideration and response:

(1) Regional Role in Energy Efficiency

Members expressed their concerns on the cost of energy and the impact that this had on the economy. There was a need to seek the introduction of alternative solutions, for example energy turbines.

(2) Investment Portfolio

The committee questioned whether the WMCA was generating economic growth in specific areas, especially given the disparity of investment

(3) Greater Scrutiny - Arms' Length Companies and the Delivery of Outputs

The committee considered that there needed to be a greater focus on the outputs generated through investments and a greater scrutiny focus on arms' length companies and the outputs delivered for the region.

(4) Carbon Neutrality

The committee stressed the importance of the work being undertaken to achieve carbon neutrality on projects that the WMCA was supporting.

104. Date of Next Meeting

Thursday 12 January 2023 at 10.00am

The meeting ended at 12.00 pm.

This page is intentionally left blank



Young Combined Authority

Young Combined Authority (YCA) Board update, January 2022

Update

The new Year got off to a great start with YCA members meeting with the Mayor on Wednesday 4th January and with Mental Health Commission Focus groups planned for later in the month.

YCA and the Mayor

Transport

Simren and Hammam highlighted findings from the National Youth Survey regarding public transport. The survey found that young women didn't feel safe to travel on buses. Together with the Mayor they explored how the perception of crime on buses is very high but in reality, only in 1 in 60,000 bus journeys does crime occur.

They also discussed the affordability of travel in light of the cost-of-living crisis and noted the steps the CA have taken to cap travel at £4 a day. YCA members also explored South Yorkshire model Youth Zoom, where young people can travel across the region for 80p.

It was clear that promoting the affordability and safety of buses will be key to driving down the cost.

“Young women don't feel safe on buses”

“It's difficult to find out information about travel concessions”

“How can we get more young people using buses?”

“We would like subsidised travel for young people”



Mental Health

Richard advocated for improvements in mental health provision for young people as challenges post-pandemic only continue to rise, with child referrals for mental health care in England up 39% in a year. Richard highlighted the need for increased funding that could be distributed equally to meet the needs of young people, for early intervention, and regular mental health commission data to monitor year-on-year improvements.

Richard also explored the mental health challenges we face in the region with the Mayor and what levers the CA have to support change, such as the Thrive Into Work programme.



“We would like to co-produce a mental health curriculum for young people”

“We want to raise awareness of the support already available to young people.”

Coming up: Mental health Commission Focus Groups

On Saturday 21st January the YCA will be leading on a number of focus groups to explore key themes of the mental health commission, such as Education, BAME communities, and how the cost of living crisis affects residents mental health to ensure the Youth Voice is reflected in the commission’s final report.

Invites are expected to go out later this week.

Any questions, please email: Miriam.Aslam@wmca.org.uk

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank