



# Transport Delivery Overview & Scrutiny Committee

<b>Date</b>	4 <sup>th</sup> September 2023
<b>Report title</b>	Financial Monitoring Report
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<b>Report to be/has been considered by</b>	Councillor McNicholas, Chair of TDOS Councillor Akhtar, Scrutiny Champion for Finance and Performance

## Recommendation(s) for action or decision:

The Transport Delivery Overview & Scrutiny Committee is recommended to:

1. Note the position as at the end of July 2023 against the TfWM Revenue Budget which shows a favourable variance of £2.0m, as detailed in Section A.
2. Note the TfWM Capital Programme position as at 31 July 2023 which shows a favourable variance of £12.5m for WMCA delivered schemes and a favourable variance of £6.5m for externally delivered schemes, as detailed in Section B.

### 1. Purpose

- 1.1 This report sets out the financial position as at 31 July 2023. The content relates to the financial position of the Combined Authority's Transport Delivery Revenue and Capital Budgets and consists of the following Sections:

## 2.0 Section A - Summary Revenue Position

2.1 Within Transport there is a surplus of £2.2m which represents a favourable variance from budget of £2.0m.

	July Year to Date			Full Year		
	Actual £'000	Budget £'000	Variance £'000	Forecast £'000	Budget £'000	Variance £'000
Net TfWM Surplus / (Deficit) before reserves	(1,125)	(3,086)	1,961	(9,235)	(9,201)	(34)
Use of Reserves	3,361	3,352	9	9,295	9,201	94
<b>Net TfWM Surplus / (Deficit)</b>	<b>2,236</b>	<b>266</b>	<b>1,970</b>	<b>60</b>	<b>0</b>	<b>60</b>

2.2 In addition to savings arising from vacant posts, the most notable variances relate to Concessions where savings to date due to lower patronage and fare levels have been transferred to a reserve to protect against future risks in relation to the transport network.

2.3 In addition, the year to date position reflects additional government funding in the form of the Local Transport Fund (£1m) that has now been confirmed to support the bus network from April to June 2023. The LTF will support the costs of the tendered bus service across the year, currently showing an adverse variance of £0.2m as at July 2023. This variation is a timing issue as budget will be fully utilised by year end.

2.4 We have undertaken first reforecast for the year and estimate budgets will be balanced by year end.

2.5 Further details of net spending are set out in Appendix 1.

## SECTION B

### 3.0 Summary Position TfWM Capital Budget

3.1 The TfWM Capital Programme expenditure totals £76.1m for WMCA delivered schemes which is £12.5m behind the profiled budget. For externally delivered schemes, expenditure totals £20.7m which is £6.5m behind budget at this stage of the year.

	July Year to Date			Full Year		
	Actual £'000	Budget £'000	Variance £'000	Forecast £'000	Budget £'000	Variance £'000
Metro	48,500	54,272	5,773	191,409	211,566	20,157
Rail	17,936	20,876	2,940	66,431	67,017	586
Bus	2,369	3,496	1,128	16,587	17,159	572
Sprint	3,079	4,178	1,099	20,070	20,070	0
Highways	413	314	(100)	2,498	2,498	0
Digital & Data	2,694	4,376	1,682	12,065	12,065	(0)
Other Transport	363	380	17	2,429	2,429	0
Sustainable Travel	704	642	(62)	8,931	11,517	2,586
<b>Transport (Internally delivered schemes)</b>	<b>76,058</b>	<b>88,534</b>	<b>12,476</b>	<b>320,420</b>	<b>344,321</b>	<b>23,901</b>
Rail (External)	606	1,194	588	10,216	7,079	(3,137)
Bus (External)	0	0	0	1,000	1,500	500
Grants to Local Authorities	19,802	25,723	5,921	110,483	119,627	9,143
Sustainable Travel (External)	301	253	(48)	20,746	31,629	10,882
<b>Transport (Externally delivered schemes)</b>	<b>20,708</b>	<b>27,170</b>	<b>6,462</b>	<b>142,446</b>	<b>159,835</b>	<b>17,389</b>
<b>Net TfWM Surplus / (Deficit)</b>	<b>96,766</b>	<b>115,704</b>	<b>18,938</b>	<b>462,866</b>	<b>504,156</b>	<b>41,290</b>

3.2 Within Transport, the variances are mainly within Metro (£5.8m), Rail (£2.9m) and Data and Digital (£1.7m).

3.3 Within Metro, accelerated works on the Wednesbury to Brierley Hill extension (£4.7m) have been offset by £10.5m rephasing of works and land purchases on other schemes.

3.4 The variance on Rail relates to Rail Package 2 where operational issues at each of the sites including a listed wall and a water well has meant a rescheduling of works.

3.5 There are variances against budget to date on the Data and Digital workstreams relating to the timing of CCTV installation and other project support work.

3.6 The first re-forecast of the year shows a reduction in spend of £41.3m with the biggest movement within Metro, specifically Birmingham Eastside Extension £17.7m where work has been re-scheduled to later years. The quarter 1 forecasts have now been received from Local Authorities resulting in a £17.4m reduction on budget within the externally delivered schemes.

3.6 Other projects remain relatively close to budget.

## **4.0 Glossary of Terms**

FMZ = Future Mobility Zone

HS2 = High Speed 2

MRN = Major Road Network

RTI = Real Time Information

RTCC = Regional Transport Coordination Centre

TfWM = Transport for West Midlands

WMCA = West Midlands Combined Authority

## Appendix 1

### Transport for West Midlands Revenue Budget Position 31<sup>st</sup> July 2023

At the end of July 2023 there is a £2.0m favourable variance against budget.

	Year To Date			Full Year		
	Actual £'000	Budget £'000	Variance £000	Forecast £000	Budget £'000	Variance £000
Transport Levy	39,785	39,785	(0)	119,355	119,355	0
Business Rates	0	0	0	4,674	4,674	0
Use of Reserves	3,362	3,352	10	9,295	9,201	94
<b>Total Funding</b>	<b>43,146</b>	<b>43,137</b>	<b>9</b>	<b>133,324</b>	<b>133,229</b>	<b>94</b>
National Bus Concession	(14,785)	(14,804)	18	(47,251)	(47,251)	0
Metro / Rail	(1,523)	(1,523)	1	(4,572)	(4,572)	0
Child Concession	(1,811)	(2,036)	225	(6,937)	(7,162)	225
<b>Concessions</b>	<b>(18,119)</b>	<b>(18,363)</b>	<b>244</b>	<b>(58,760)</b>	<b>(58,985)</b>	<b>225</b>
Bus Stations / Infrastructure	(2,266)	(2,294)	28	(5,861)	(5,867)	5
Subsidised Network	(3,843)	(4,793)	950	(14,255)	(14,255)	0
Accessible Transport	(2,187)	(2,224)	38	(6,630)	(6,630)	(0)
<b>Bus Services</b>	<b>(8,295)</b>	<b>(9,311)</b>	<b>1,016</b>	<b>(26,747)</b>	<b>(26,752)</b>	<b>5</b>
Metro Services	(3,467)	(3,488)	21	(11,115)	(11,115)	0
Rail Services	(1,230)	(1,254)	24	(4,544)	(5,563)	1,019
<b>Rail and Metro Services</b>	<b>(4,697)</b>	<b>(4,742)</b>	<b>45</b>	<b>(15,660)</b>	<b>(16,679)</b>	<b>1,019</b>
Safety and Security	(317)	(453)	136	(2,374)	(2,374)	0
Passenger Information	(2,022)	(2,113)	91	(6,620)	(6,620)	0
Sustainable Travel	(636)	(632)	(4)	(2,005)	(1,891)	(114)
<b>Integration</b>	<b>(2,974)</b>	<b>(3,198)</b>	<b>223</b>	<b>(11,000)</b>	<b>(10,886)</b>	<b>(114)</b>
Network Resilience	(911)	(1,046)	135	(3,302)	(3,305)	3
Business and Democratic Support	(1,372)	(1,474)	102	(4,605)	(4,605)	0
Strategic Development	(1,141)	(1,318)	177	(4,389)	(4,391)	1
Transport Governance	(30)	(47)	17	(141)	(141)	(0)
Capital Finance Charges	(3,371)	(3,371)	(0)	(10,485)	(10,485)	0
Efficiency Target	0	0	0	1,826	3,000	(1,174)
<b>Total Expenditure</b>	<b>(40,911)</b>	<b>(42,870)</b>	<b>1,960</b>	<b>(133,263)</b>	<b>(133,229)</b>	<b>(34)</b>
<b>Net Surplus / Deficit</b>	<b>2,236</b>	<b>267</b>	<b>1,969</b>	<b>60</b>	<b>0</b>	<b>60</b>

#### Concessions

Savings in year within the ENCTS and Child concessions budgets are due to a lower service provision. To date savings within the ENCTS budget of £1.5m that have occurred due to a lower service provision have been transferred to a risk reserve in recognition of significant pressures around the transport network in the coming year.

#### Bus Services

The Tendered Bus Services budget has a favourable variance of £1.0m at the end of July, largely due to Local Transport (LTF) grant relating to the first quarter of the year. This will be utilised to offset an increase in contractual costs expected later in the year.

Other areas remain largely in line with budget.

**Rail & Metro**

The full year position within Rail Services reflects a reduction in the operational rail budget within Transport of £0.9m due to the timing of the station openings.

**Strategic Development**

There are savings to date of £0.2m within Strategic Development which are largely due to Staff vacancies.

Other areas within Transport remain close to budget.

**Reserves**

Use of reserves drawn down relate to budgeted support for the 2023/24 Transport Budget and the delivery of the West Midlands Cycle Hire scheme.

## Appendix 2 TfWM Delivered Capital Schemes

£000's	July Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Metro Birmingham Eastside Extension	13,612	16,594	2,982	47,313	65,007	17,694
Metro Network Enhancements	2,440	4,846	2,406	20,947	27,066	6,119
Metro Edgbaston Extension	652	1,455	803	3,616	3,665	49
Metro Wednesbury to Brierley Hill Extension	28,637	23,963	(4,675)	102,027	97,997	(4,031)
Metro Wolverhampton City Centre Extension	2,316	5,797	3,480	7,932	7,932	(0)
Buy Before Boarding	127	867	740	5,309	5,210	(99)
Metro Centenary Square Extension	50	114	64	666	617	(49)
Metro - Other	664	637	(27)	3,600	4,073	474
<b>Total Metro Schemes</b>	<b>48,500</b>	<b>54,272</b>	<b>5,773</b>	<b>191,409</b>	<b>211,566</b>	<b>20,157</b>
Rail Station	3,752	3,183	(569)	7,377	7,377	0
Rail Package 1	3,773	4,460	687	20,841	20,807	(34)
Park and Ride	0	2	2	500	500	0
Rail Package 2	10,404	12,838	2,434	34,863	34,810	(54)
Very Light Rail	0	25	25	600	600	0
Rail Development	0	0	0	100	100	0
Dudley Port Integrated Transport Hub	6	70	64	450	450	0
Aldridge Station	0	232	232	1,341	2,015	673
Rail - Other	0	66	66	359	359	0
<b>Total Rail Schemes</b>	<b>17,936</b>	<b>20,876</b>	<b>2,940</b>	<b>66,431</b>	<b>67,017</b>	<b>586</b>
National Productivity Investment Fund	592	597	5	1,170	1,170	(0)
Clean Bus	676	996	321	6,226	6,226	0
Cross City Bus	125	446	321	2,508	2,508	0
East Birmingham to Solihull Corridor	34	107	73	499	499	0
BSIP Bus Priority Cross City Routes	353	654	300	2,538	3,110	572
Bus Station/Interchange	589	694	105	3,139	3,139	0
Demand Responsive Bus	0	2	2	6	6	0
BSIP Retrofit Programme	0	0	0	500	500	0
<b>Total Bus Schemes</b>	<b>2,369</b>	<b>3,496</b>	<b>1,128</b>	<b>16,587</b>	<b>17,159</b>	<b>572</b>
Sprint Ph2 A45	2,485	2,895	410	8,340	8,202	(139)
Sprint Ph2 A34	570	909	339	7,326	7,465	139
Sprint A45	446	629	183	1,420	1,420	0
Sprint A34	(513)	(342)	171	304	304	0
Hagley Road	91	37	(54)	2,420	2,420	0
Hall Green to Interchange via Solihull	0	51	51	202	202	0
Longbridge to Birmingham	0	0	0	57	57	0
<b>Total Sprint Schemes</b>	<b>3,079</b>	<b>4,178</b>	<b>1,099</b>	<b>20,070</b>	<b>20,070</b>	<b>0</b>
KRN/MRN	2	32	30	607	607	0
Highways - Other	411	281	(130)	1,891	1,891	0
<b>Total Highways</b>	<b>413</b>	<b>314</b>	<b>(100)</b>	<b>2,498</b>	<b>2,498</b>	<b>0</b>
RTCC	1,221	2,240	1,019	3,856	3,856	0
FMZ	1,055	1,538	483	5,600	5,600	0
RTI	11	23	12	584	584	0
Scheme Development and M and E	204	364	160	1,688	1,688	0
Digital and Data - Other	204	212	8	337	337	0
<b>Total Digital &amp; Data</b>	<b>2,694</b>	<b>4,376</b>	<b>1,682</b>	<b>12,065</b>	<b>12,065</b>	<b>0</b>
Asset Management	363	380	17	2,177	2,177	0
Transport - Other	0	0	0	252	252	0
<b>Total Other</b>	<b>363</b>	<b>380</b>	<b>17</b>	<b>2,429</b>	<b>2,429</b>	<b>0</b>
Air Quality	0	0	0	990	990	0
Better Streets Community Fund	91	0	(91)	141	141	0
Priority One Development	186	45	(141)	690	690	0
Swift ceMV Contactless Payment Broker	365	430	65	1,496	4,082	2,586
Electric Vehicles	62	167	105	5,614	5,614	0
<b>Total Sustainable Travel</b>	<b>704</b>	<b>642</b>	<b>(62)</b>	<b>8,931</b>	<b>11,517</b>	<b>2,586</b>
<b>Total Transport Capital Programme (WMCA Delivered)</b>	<b>76,058</b>	<b>88,534</b>	<b>12,476</b>	<b>320,420</b>	<b>344,321</b>	<b>23,901</b>

## Appendix 3 Externally Delivered Capital Schemes

£000's	YTD			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
<b>Rail - External</b>						
Very Light Rail	606	1,194	588	9,966	6,329	(3,637)
Solihull Rail Station	0	0	0	250	750	500
West Coast Mainline	0	0	0	0	0	0
<b>Total Rail</b>	<b>606</b>	<b>1,194</b>	<b>588</b>	<b>10,216</b>	<b>7,079</b>	<b>(3,137)</b>
<b>Bus - External</b>						
East Birmingham to Solihull Corridor	0	0	0	1,000	1,000	0
UKC - Solihull - Dorridge Bus Priority	0	0	0	0	500	500
<b>Total Bus</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>1,500</b>	<b>500</b>
<b>Grants to Local Authorities - Transport</b>						
City Centre Regeneration	2,111	7,159	5,048	44,866	51,688	6,822
Cycling and Walking	1,106	1,545	439	12,302	12,302	(0)
Highways	1,655	2,337	683	6,377	6,377	0
Highways Maintenance	7,870	7,870	0	23,611	23,611	0
Local Network Improvement Plan	5,345	5,345	0	16,035	16,035	0
Very Light Rail - External Grants	0	0	0	0	0	0
Grants to Local Authorities - Other	1,107	857	(251)	4,229	5,150	921
HS2 Enabling	607	610	3	3,063	4,464	1,401
<b>Total Grants to Local Authorities</b>	<b>19,802</b>	<b>25,723</b>	<b>5,921</b>	<b>110,483</b>	<b>119,627</b>	<b>9,143</b>
<b>Sustainable Travel - External</b>						
Electric Vehicles - External	76	76	0	3,389	3,389	0
Sutton Coldfield Gateway	0	0	0	1,000	1,000	0
Active Travel - A45 Segregated Cycleway	0	0	0	700	700	0
A38 Selly Oak to Longbridge Segregated Cycling	0	0	0	700	700	0
City Centre Active Travel Connections to Interchange	0	0	0	410	410	0
One Station and Smallbrook Queensway	0	0	0	1,000	1,000	0
Snow Hill Growth Strategy	0	0	0	750	750	0
Foleshill Transport Package	107	75	(32)	1,332	4,038	2,706
Cov South Sustainable Transport	66	80	14	3,368	4,356	988
Dudley Town Centre Interchange Sustainable Connectivity Package	0	0	0	0	0	0
Stourbridge Town Centre Sustainable Connectivity Package	0	0	0	0	0	0
Wednesbury to Brierley Hill Extension Sustainable Access Measures	0	0	0	0	0	0
A461 Walk, Cycle and Bus Corridor	0	22	22	200	200	0
Smethwick - Birmingham Inclusive Growth Corridor Transport Package	0	0	0	350	1,000	650
Chester Road Corridor - Segregated Cycleway and Capacity Enhancement	0	0	0	200	200	0
Dickens Heath to Solihull Town Centre LCWIP Scheme	0	0	0	300	1,100	800
Knowle to Solihull Town Centre LCWIP Scheme	0	0	0	300	1,000	700
Multi-modal Access to HS2 Enhancement	0	0	0	0	250	250
Bus, Cycle and Walk Access - Darlaston and Willenhall Train Stations	0	0	0	200	200	0
A454 Walk, Cycle and Bus Corridor	0	0	0	2,050	2,600	550
A41 Moxley Iron Park to Walsall Town Centre Walk, Cycle and Bus Corridor	0	0	0	300	300	0
Bus, Cycle and Walk Access - Walsall Town Centre Interchange	0	0	0	0	0	0
Black Country Walking and Cycling Package	0	0	0	2,000	2,000	0
A4123 Walk, Cycle and Bus Corridor	0	0	0	800	800	0
A449 Walk, Cycle and Bus Corridor	51	0	(51)	1,397	1,635	238
Wolverhampton City Centre Movement - Walk, Cycle and Bus Package	0	0	0	0	4,000	4,000
<b>Total Grants to Local Authorities</b>	<b>301</b>	<b>253</b>	<b>(48)</b>	<b>20,746</b>	<b>31,629</b>	<b>10,882</b>
<b>Total Transport Capital Programme (Externally Delivered)</b>	<b>20,708</b>	<b>27,170</b>	<b>6,462</b>	<b>142,446</b>	<b>159,835</b>	<b>17,389</b>