



## WMCA Board

<b>Date</b>	17 November 2023
<b>Report title</b>	Financial Monitoring Report 2023/24
<b>Portfolio Lead</b>	Finance - Councillor Bob Sleigh
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<b>Report has been considered by</b>	Executive Board – 8 November 2023 WM FDs – 9 November 2023

### Recommendation(s) for action or decision:

#### WMCA Board is recommended to:

- (1) Note the financial position as at 30 September 2023, as detailed in Sections 2 and 3.
- (2) Note the early warning of a further projected overspend of £1.5m on the Metro Wolverhampton City Centre Extension project and approve the proposed funding solution and potential budget increase of £1.5m.
- (3) Note the new grant awards to the WMCA as shown in Section 5.
- (4) Note the updated financial planning position for the period 2024/25 to 2028/29, as detailed in Section 6.
- (5) To note the updated position on the Sustainable Warmth Competition, as outlined in Section 8.
- (6) Note the Treasury and Prudential Indicators for the period ending September 2023 (Quarter 2) as outlined in Section 9 and Appendix 6 of this report.
- (7) To note the outcome of the annual review of the Single Assurance Framework (SAF), undertaken in accordance with the requirements mandated by Government (Section 14).

- (8) Note the performance to date of the West Midlands 100% Business Rates Retention Pilot, as detailed in private Appendix 12.
- (9) Agree to the Memorandum of Understanding (MoU) with Government regarding the offer of 10-year, 100% Business Rate Retention for the West Midlands, in accordance with the Trailblazing Devolution Deal (private Appendix 12).
- (10) Delegate to the Section 151 Officer (following consultation with the relevant portfolio holder) the ability to accept grants awarded to WMCA between the date of this meeting and the January 2024 WMCA Board meeting; subject to the terms and conditions of those grants being acceptable to the WMCA Monitoring Officer, Section 151 Officer and the relevant Executive Director and the relevant SAF process being followed.

## **1.0 Purpose**

- 1.1 To provide an update on the Combined Authority's finances as at 30 September 2023, an update on the medium term financial plan and risks facing the organisation.

## **2.0 2023/24 Year to Date Revenue Position**

- 2.1 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority, whilst Appendices 2 to 4 present the detailed summaries for Transport, the WMCA Delivery Portfolios and the Mayoral office respectively.
- 2.2 The position at the end of September is a surplus of £4.0m which is a favourable variance from budget of £3.9m.
- 2.3 Within Transport there is a surplus of £2.6m which represents a favourable variance from budget of £2.2m. The year to date position is due to the impact of staffing vacancies as well as receipt of Local Transport Fund grant which will meet contractual costs of the tendered bus service across the rest of the financial year. Concessionary related underspends have arisen due to patronage remaining below pre pandemic levels. In line with agreement from the Board, these savings have been transferred to a reserve to protect against future transport network risks.
- 2.4 Within the Portfolio budgets there is a favourable variance of £1.7m due to staff vacancies, underspends on external advice and receipt of new grant income. There remain underspends against the grants within Economic Skills and Communities totalling £38.3m to date, including AEB, Multiply, Digital Skills and UKSPF. This position is only of timing only, with fully recovery of the position anticipated at year end.
- 2.5 The Mayoral Office position as at the end of September 2023 was in line with budget.

## **3.0 2023/24 Capital Programme Position**

- 3.1 Appendix 5 sets out the position on the Capital Programme as at the end of September 2023. Actual costs totalled £168.6m, resulting in a favourable variance of £80.0m against a phased budget of £247.5m. This means that around 68% of the planned programme has been delivered in line with original phasing.

- 3.2 The year to date expenditure to budget variance is primarily contained within Transport (£47.0m), Housing and Regeneration (£20.0m) and a further £10.7m within the capital programme delivered externally by Local Authorities.
- 3.3 Within Transport, the variances are mainly within Metro (£29.3m), Rail (£10.4m) and Data and Digital (£3.2m). The Metro programme reflects the latest programme schedule with £16.5m underspend on the Birmingham Eastside Extension due to rescheduling of construction and utility works and associated land vesting and a further £5.1m on Metro enhancements due to timings around agreeing technical features and detailed designs for the Wednesbury Depot and deferment of work in relation to Metro Line 1 as a result of a prolonged procurement challenge. In addition, the rescheduling of land purchases for the Wolverhampton City Centre Extension has resulted in £3.7m variance. Within Rail, the operational issues at Rail Package 2 sites including presence of badgers, a listed wall and a water well has meant a rescheduling of works and £4.1m underspends. There is a further £3.1m underspend on Rail Package 1 due to the delays resulting from the work stoppage when the construction contractor went into administration, with work resumed now that a new contractor has been appointed. There are savings against budget to date on the Data and Digital workstreams relating to the timing of project work.
- 3.4 The Metro Wolverhampton City Centre Extension is currently projecting an increase of £1.5m to its cost to complete, taking the forecast from £51.9m to £53.4m. The enhanced budget includes c£1.4m from changes expected to be funded from the Wolverhampton Interchange Programme. The projected overspend is as a result of cost increases due to delays in completion of detailed design and as built drawings, extension in construction works as a result of additional scope including bus interchange paving, Plaza lighting as a result of Network Rail requirements, increase in low voltage system scope, slurry wash and site preliminaries. It is proposed that £1.5m of the Transforming Cities Fund (TCF) is re-purposed from aborted schemes to mitigate this overspend.
- 3.5 Within the Housing and Regeneration programme, there is a £9.2m underspend in relation to the Land and Property Investment Fund where the Phoenix 10 project which has been rephased, with commencement later in the financial year. Other movements of £8.9m relate to projects that are still to be brought forward for approval, and a further £1.8m where projects have not progressed at the pace anticipated at the budget development stage.

#### **4.0 Revenue and Capital Forecast Update**

- 4.1 The second re-forecast will be completed in October 2024 and reported to the WMCA Board in January 2024. This re-forecast will incorporate the latest funding position as well as the profiling and cost of delivering activities over remaining 6 months of the year. The current forecast outturn remains unchanged from that previous report, a balanced position for revenue and a £44.2m reduction in capital spend compared to the budget.

#### **5.0 New Funding**

- 5.1 Since the last report, new grant funding, totalling £16.6m has been secured, as the WMCA continues in its efforts to source additional funding to deliver its priorities. Details of these grants are summarised in the table below.

Grant name	Value	Grant period		Purpose
	£m	From	To	
West Midlands Business Energy Assessment Service (BEAS)	14.110	Apr-23	Mar-25	Overall objective is national energy productivity, supply chain resilience and global competitiveness. High volume (2-4000) of well-targeted and tailored energy efficiency interventions in small and mid-sized energy-exposed businesses. The emphasis is on data and evaluation, diversity of sectors and variety of interventions. To include resource efficiency advice, identifying the most cost-effective ways for government to address market barriers, permanently mitigate impacts of the energy cost crisis and increase UK economic and supply chain resilience.
Sport England Solicited Grant	2.500	Apr-23	Mar-25	An agreed Wellbeing Board Sport England Lottery workstream which includes: a Commonwealth Games collaborative leadership programme for the Physical Activity system, Black Country Moving (placed based funding with grant agreement to Black Country Consortium Limited), Include Me West Midlands (an ongoing work programme consisting secondment to manage work to address identified barriers preventing disabled people getting active e.g. transport), a regional action commitment, citizen voice and a Public Space Design trial and learn programme. Negotiations started in developing a 5-7 year partnership to deliver twin strategic priorities.
<b>Total</b>	<b>16.610</b>			

5.2 The Department for Transport (DfT) has confirmed additional investment for transport in the West Midlands, arising from reprioritised spending following the cancellation phase 2 of HS2. A separate paper to this meeting talks about the implications of this decision. The majority of the funding announced for the West Midlands related to the capital programme, including:

- £100m for existing metro extensions, including completion of the second phase of the Wednesbury to Brierley Hill Metro extension and for major development work at Arden Cross
- £1.75bn for the Midlands Rail Hub which will increase capacity for new services, increase journey times and provide linkages to other cities including Bristol, Cardiff, Leicester and Nuneaton.
- £700m increase in the West Midlands' City Region Sustainable Transport Settlement (CRSTS) allocation for the next round from 2027-2032.
- £100m to share across the north and Midlands to roll out contactless tap and go smart ticketing, which is work currently been piloted by TfWM.

5.3 There is also confirmation of £250m in revenue support over the next 5 years to support network stability. This was announced by HMG on 4 October as part of the £36bn Network North plan following the cancellation of the northern leg of HS2. WMCA officers are in dialogue with HMG officials on the precise requirements for the funding draw down who will also seek assurance that we are addressing the historic local under funding gap and that we are utilising the new funds to protect direct local transport services. Further details will be provided to Board once known.

5.4 A further £16.9m of additional Bus Service Improvement Programme funds for 2024/25 were awarded to WMCA as part of a national £150m package announced on 23rd October. Discussions are ongoing with HMG to understand requirements for these funds however they will need to deliver improvements rather than plug existing pressures.

5.5 It is anticipated there may be further funding decisions to be announced between the date of this meeting and the next WMCA Board meeting in January 2024. Should any of these funds require acceptance before the WMCA Board meeting in January 2024, it is requested that authority is delegated to the WMCA's S151 officer, in conjunction with the relevant Portfolio lead, to accept funds subject to satisfactory terms and the relevant SAF process being followed.

## **6.0 2023/24 MTFP Update**

- 6.1 The July, September and November 2023 reports to the WMCA Board documented the work undertaken on the WMCA's medium term financial processes and the ongoing engagement with the Mayor and Met Leaders.
- 6.2 WMCA will continue to work with Met Authorities and Leaders to deliver a balanced budget for 2024/25 for approval by WMCA in January 2024.

## **7.0 ITS World Congress**

- 7.1 Transport for West Midlands (TfWM), the Department for Transport and Centre for Connected and Automated Vehicles have begun planning for the 2027 Intelligent Transport Systems World Congress (ITS WC) in Birmingham, after TfWM was selected as preferred host. The WMCA Board approved bidding to host the ITS WC in February 2020. An initial HMG/TfWM steering group has met in Birmingham to scope out roles and responsibilities for the event. TfWM is now mobilising the project team and reviewing the plan and financial model with a view to agree contractual arrangements with awarding body (ERTICO) early in 2024.

## **8.0 Sustainable Warmth Competition Update**

- 8.1 Installations on the Sustainable Warmth Competition project are now complete. Due to a number of dropouts over the last few months of the project where measures have not been technically feasible or where customers have not wanted to proceed with work, the number of homes within the project and overall project costs have been reduced significantly. The final number of homes within the project will be 76, down from a predicted 157 in July. While we are awaiting final confirmation of costs from our contractor, we anticipate that the total project costs will be approximately £650k, reduced from the £1.7m predicted in July. The original grant allocated for this work was £2.6m.

## **9.0 Compliance with Treasury and Prudential Indicators (Quarter 2 Update)**

- 9.1 Appendix 6 provides details of the Treasury and Prudential indicators for the period ending 30 September 2023 (Quarter 2). This is being reported in accordance with the requirements of the 2021 CIPFA Prudential Code for Capital Finance in Local Authorities and 2021 CIPFA Treasury Management in the Public Services Code of Practice to help Members understand and evaluate the prudence and affordability of the Authority's capital expenditure plans and the borrowing and investment activities undertaken in support of this.
- 9.2 No difficulties are envisaged for the current or future years in complying with these indicators.
- 9.3 All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices. A detailed Treasury mid-year report will be provided to ARAC on 4 December that will comply with the TM Code requirements and will detail all investments.

## **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 August 2023 expenditure for the West Midlands Regional Investment Programme is shown at Appendix 7, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily constituent member local authorities).
- 10.3 Appendix 8 summarises grant funding commitments approved by WMCA for projects within the WMCA Investment Programme, which total £853.7m as at 30th September 2023 (no overall change from the last reporting at WMCA Board).
- 10.4 WMCA Investment Programme funding drawn / incurred by projects against these funding commitments totals £520.2m.

## **11.0 CRSTS**

- 11.1 CRSTS funding formally approved and available to be utilised totalled £504.8m as of 30th September 2023. A breakdown of this total is provided within Appendix 9.
- 11.2 Earlier this year DfT gave all mayoral combined authorities receiving CRSTS funding the opportunity to make changes to their approved CRSTS capital programme, in recognition of the effects of high levels of inflation in recent years. Amendments to the West Midlands region CRSTS 1 programme were approved locally at the September 2023 sitting of WMCA Board. A re-baselined CRSTS programme has subsequently been submitted to DfT for their consideration.
- 11.3 The proposed re-baselined CRSTS programme extends the original £1.05bn programme to a £1.21bn programme, because DfT have allowed overprogramming to be included to cover the risk of some projects failing to drawdown all allocated CRSTS funding by the end of the first CRSTS settlement period.
- 11.4 However, Appendix 9 is reporting against the original £1.05bn CRSTS programme whilst DfT approval of the re-baselined programme remains pending.
- 11.5 A breakdown of the re-baselined CRSTS programme will be provided in a future Financial Monitoring Report once approval has been received from DfT.

## **12.0 Administered Funds**

- 12.1 Administered Funds totalled £78.0m as of 30 September 2023. The report excludes funds fully utilised and concluded by 31 March 2023. A breakdown of this amount is included within Appendix 10. Of this amount, £42.2m has been spent to date.
- 12.2 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.
- 12.3 Elements of the overarching grants listed at Appendix 10 which are not passported are excluded from this Appendix.

### **13.0 Balance Sheet**

- 13.1 Appendix 11 presents the West Midlands Combined Authority Balance Sheet which shows a healthy financial position as at 30 September 2023.
- 13.2 The increase in property, plant and equipment reflects TfWM capital spend in relation to the Metro extensions.
- 13.3 The decrease in short-term deposits is largely due to receipts from the short-term loans with local authorities offset by payments in respect of AEB, CIF loans drawdown, PWLB loan repayment, Investment Programme and Metro extension schemes.
- 13.4 The short-term loans and CIF loans drawdown have led to a net increase in investments and short-term loans while payments for AEB, PWLB loan, Investment Programme and Metro extension schemes contributed to a net decrease in grants receipts in advance and earmarked reserves.
- 13.5 Short-term debtors have increased mainly due to grant income accrual for the Rail Network Enhancement Pipeline.

### **14.0 Annual Review Single Assurance Framework (SAF)**

- 14.1 WMCA is required to undertake an annual refresh of WMCA Single Assurance Framework document in accordance with Department for Levelling Up, Housing & Communities (DLUHC) document: The National Local Growth Framework (September 2021). This framework sets out Government's guidance for places that are required to develop their own local assurance framework. Executive Board and ARAC have already endorsed the draft Single Assurance Framework (SAF).
- 14.2 The SAF applies to all existing and new funding and projects that place a financial liability onto the WMCA. It provides consistency of approach and standards for programme assurance, appraisal and decision-making. It also enables a proportionate approach to be applied for the development of business cases.
- 14.3 Within WMCA, the SAF is a valuable tool to enable the WMCA to deliver successful projects and explain the clear rationale through the development of business cases, detailing how objectives will be delivered, using HM Treasury Green Book principles. The SAF also provides assurance to the S151 Officer by explaining the robust local systems and controls in place to ensure resources are spent with regularity, propriety and value for money.
- 14.4 The revisions for this year's refresh are relatively minor. The key changes are:
- Clearer highlighting of Governance role and approvals
  - Inclusion of Socio-Economic Duty
  - Updates to Inclusive Growth Framework
  - Inclusion of Modern.gov system for approvals
  - Replacing Statutory Officers Panel with Designated Sign-Off meetings
  - Reflecting change in name of SLT to Executive Board
  - Updates to Adult Education Budget Programme (AEB). Everything AEB related is now integrated into the SAF with a Programme Business Case and business cases being developed so in practice a standalone health check is not needed.

The Single Assurance Framework has been written to ensure that Inclusive Growth and equalities are part of the considerations when writing business cases. A copy of the proposed guidance as updated in September 2023, can be found via <https://www.wmca.org.uk/media/jntpl1ot/saf-2023.pdf>.

## **15.0 Business Rates**

- 15.1 The 7 Constituent Authorities of the WMCA have been part of a Business rates Retention pilot since 2017, whereby rather than retaining 50% with the other 50% going to Government for national redistribution, the pilot arrangement was for retention of 100% of the Business Rates generated in the area. The pilot arrangement was rolled forward and continued under the same terms until 2023/24 and has been beneficial for the West Midlands. As part of the West Midlands Deeper Devolution Trailblazer Deal, ratified by Board in October 2023, Government has offered to Local Authorities forming both West Midlands and Greater Manchester Combined Authorities only, the opportunity to extend the arrangement on a more permanent basis; for ten years commencing April 2024. Private Appendix 12 outlines proposals for a new agreement with the Department for Housing, Levelling Up and Communities (DLUHC) and the protections being sought to ensure that the scheme continues to provide a financially neutral or better financial position.
- 15.2 It should be noted that all Constituent Local Authorities are also taking the MoU through their respective governance and approval structures. A number of approvals have been obtained by Local Authorities with the final approvals expected in December. WMCA was supported fully in all negotiations on the contents of the MoU by Solihull MBC officers, as requested by the West Midlands Finance Director Group.

## **16.0 Financial Implications**

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

## **17.0 Legal Implications**

- 17.1 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.

## **18.0 Other Implications**

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

## **19.0 Appendices**

- Appendix 1 – WMCA Consolidated Summary – September 2023
- Appendix 2 – WMCA Transport Revenue Summary - September 2023
- Appendix 3 – WMCA Portfolio Budget Summary – September 2023
- Appendix 4 – WMCA Mayor Revenue Summary – September 2023
- Appendix 5 – WMCA Capital Programme – September 2023
- Appendix 6 – Compliance with Treasury and Prudential Limits
- Appendix 7 – Total Regional Investment Programme Expenditure – August 2023



- Appendix 8 – WMCA Investment Programme Commitments – August 2023
- Appendix 9 – WMCA CRSTS Programme Commitments – September 2023
- Appendix 10 – WMCA Administered Funds – September 2023
- Appendix 11 – Balance Sheet – September 2023
- Appendix 12 – Business Rates Income (**Private**)

## Appendix 1

### WMCA Consolidated Revenue Budget Summary – September 2023

£000's	Full Year			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	59,677	59,677	0	119,355	119,355	0
Revenue Grants & Other Income	13,743	25,664	(11,921)	44,934	44,141	793
Adult Education Funding	64,914	85,581	(20,667)	141,391	141,391	0
Share of Business Rates	0	0	0	12,000	12,000	0
Constituent Membership	2,322	2,322	0	4,644	4,644	0
Non Constituent Members	195	210	(15)	420	420	0
Investment Programme	3,492	5,628	(2,136)	36,500	36,500	0
Investment Income	3,787	2,356	1,431	5,552	4,712	840
Use of Reserves	5,055	5,039	16	9,295	9,201	94
<b>Total Funding</b>	<b>153,185</b>	<b>186,477</b>	<b>(33,292)</b>	<b>374,091</b>	<b>372,364</b>	<b>1,727</b>
Transport for West Midlands	62,089	64,318	2,228	128,589	128,557	(32)
Economic Delivery, Skills & Communities	73,437	111,493	38,056	186,283	186,554	271
Strategy, Integration and Net Zero	6,940	3,226	(3,714)	6,378	6,378	0
Housing & Regeneration	969	916	(53)	1,837	1,837	0
Portfolio Support	(1,472)	(1,609)	(137)	(3,178)	(4,274)	(1,096)
Investment Programme	6,829	7,587	758	53,153	52,418	(735)
Mayoral Office	387	441	54	894	894	0
<b>Total Expenditure</b>	<b>149,179</b>	<b>186,372</b>	<b>37,192</b>	<b>373,956</b>	<b>372,364</b>	<b>(1,592)</b>
<b>Net Expenditure (before earmarked reserves)</b>	<b>4,006</b>	<b>105</b>	<b>3,900</b>	<b>135</b>	<b>0</b>	<b>135</b>
Transport	2,644	400	2,244	61	0	61
Portfolios	1,362	(294)	1,656	74	0	74
Investment Programme	0	0	0	0	0	0
Mayoral Office	0	0	0	0	0	0
<b>Total Surplus / (Deficit)</b>	<b>4,006</b>	<b>106</b>	<b>3,900</b>	<b>135</b>	<b>0</b>	<b>135</b>

The position at the end of September shows a surplus against budget of £3.9m. This comprises £2.2m within Transport and £1.7m within Portfolios.

Apart from staff savings, the year to date position within Transport 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 be utilised for the increasing costs of the tendered bus service across the year, so the year to date variation of £0.2m is a timing issue with the budget to be fully utilised by year end. Within Concessions there are £1.8m of savings due to lower patronage and fares, of this £1.4m have been transferred to a risk reserve in recognition of significant pressures around the transport network in the coming year. In addition, there are savings of £0.4m within the Child Concessions budget which have been allocated against the efficiency target of £3m in year.

The favourable position on the Portfolios budget is largely due to staff vacancies, underspends on external advice and new grant income within Economic Delivery, Skills and Communities.

There remain underspends against the grants within Economic Skills and Communities totalling **£38.3m** to date, including AEB, Multiply, Digital Skills and UKSPF. Currently these are expected to be recovered by the end of the year.

## Appendix 2

### Transport for West Midlands Revenue Budget Position 30 September 2023

At the end of September 2023 there is a £2.2m favourable variance against budget.

	Year To Date			Full Year		
	Actual £'000	Budget £'000	Variance £000	Forecast £000	Budget £'000	Variance £000
Transport Levy	59,677	59,677	(0)	119,355	119,355	0
Business Rates	0	0	0	4,674	4,674	0
Use of Reserves	5,055	5,039	16	9,295	9,201	94
<b>Total Funding</b>	<b>64,733</b>	<b>64,717</b>	<b>16</b>	<b>133,324</b>	<b>133,229</b>	<b>94</b>
National Bus Concession	(22,110)	(22,118)	8	(47,251)	(47,251)	0
Metro / Rail	(2,288)	(2,286)	(1)	(4,572)	(4,572)	0
Child Concession	(2,731)	(3,081)	350	(6,937)	(7,162)	225
<b>Concessions</b>	<b>(27,130)</b>	<b>(27,486)</b>	<b>356</b>	<b>(58,760)</b>	<b>(58,985)</b>	<b>225</b>
Bus Stations / Infrastructure	(3,651)	(3,686)	35	(5,861)	(5,867)	5
Subsidised Network	(6,187)	(7,159)	972	(14,255)	(14,255)	0
Accessible Transport	(3,361)	(3,340)	(21)	(6,630)	(6,630)	(0)
<b>Bus Services</b>	<b>(13,198)</b>	<b>(14,184)</b>	<b>986</b>	<b>(26,747)</b>	<b>(26,752)</b>	<b>5</b>
Metro Services	(5,271)	(5,289)	17	(11,115)	(11,115)	0
Rail Services	(1,802)	(1,881)	79	(4,544)	(5,563)	1,019
<b>Rail and Metro Services</b>	<b>(7,074)</b>	<b>(7,170)</b>	<b>96</b>	<b>(15,660)</b>	<b>(16,679)</b>	<b>1,019</b>
Safety and Security	(471)	(435)	(35)	(2,374)	(2,374)	0
Passenger Information	(2,957)	(3,164)	207	(6,620)	(6,620)	0
Sustainable Travel	(912)	(931)	19	(2,005)	(1,891)	(114)
<b>Integration</b>	<b>(4,340)</b>	<b>(4,531)</b>	<b>190</b>	<b>(11,000)</b>	<b>(10,886)</b>	<b>(114)</b>
Network Resilience	(1,378)	(1,573)	195	(3,302)	(3,305)	3
Business and Democratic Support	(2,067)	(2,211)	145	(4,605)	(4,605)	0
Strategic Development	(1,812)	(2,035)	224	(4,389)	(4,391)	1
Transport Governance	(34)	(71)	37	(141)	(141)	(0)
Capital Finance Charges	(5,057)	(5,057)	(0)	(10,485)	(10,485)	0
Efficiency Target	0	0	0	1,826	3,000	(1,174)
<b>Total Expenditure</b>	<b>(62,089)</b>	<b>(64,317)</b>	<b>2,228</b>	<b>(133,263)</b>	<b>(133,229)</b>	<b>(34)</b>
<b>Net Surplus / Deficit</b>	<b>2,644</b>	<b>400</b>	<b>2,244</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 £1.4m 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 September, 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.

### **Integration**

Within Passenger Information there is a current underspend against budget of £0.2m which largely relates to savings against staff costs, bank charges and software costs plus higher ticketing commission than budgeted.

### **Network Resilience**

There is a current under-spend relating to the timing of External Advice expenditure of £0.1m along with savings against the staffing budget of £0.1m.

### **Strategic Development**

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

### **Efficiency Target**

A £3.0m efficiency target is included within the full year budget. To date savings of £1.2m have been ear marked leaving £1.8m still to be identified. Savings to date are within the Rail Services (£0.9m), Child Concessions (£0.2m) and the Ring and Ride (£0.1m) budgets.

### **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 3

West Midlands Combined Authority Portfolios Budget – September 2023

	SEPTEMBER 2023 YEAR TO DATE			FULL YEAR 2023/24			Commentary
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Operational Income</b>							<p>The full year position reflects budgeted investment income that will be re-prioritised. In addition there are pressures within operational areas of Enabling Services totalling £0.6m that will result in increased central recharges.</p> <p>Non-Constituent member fees are lower than budgeted as Coventry &amp; Warwickshire and The Marches LEPs have indicated their intention to withdraw non-constituent membership from WMCA resulting in an under collection of budgeted income.</p>
Mayoral Capacity Funding	0	0	0	87	87	0	
Other Revenue Income	0	250	(250)	0	500	(500)	
Notional Interest Receivable	449	397	52	898	794	104	
Business Rates Growth Income	0	0	0	7,326	7,326	0	
Contribution - 7 Met Council's	2,322	2,322	0	4,644	4,644	0	
Contribution - Non constituent members	195	210	(15)	420	420	0	
<b>Total Income</b>	<b>2,966</b>	<b>3,179</b>	<b>(213)</b>	<b>13,375</b>	<b>13,771</b>	<b>(396)</b>	
Corporate Support Recharges to Portfolios	1,472	1,359	113	(4,149)	(3,552)	(597)	
<b>Total Expenditure</b>	<b>1,472</b>	<b>1,359</b>	<b>113</b>	<b>(4,149)</b>	<b>(3,552)</b>	<b>(597)</b>	
<b>Operational Income Net Total</b>	<b>4,438</b>	<b>4,538</b>	<b>(100)</b>	<b>9,226</b>	<b>10,219</b>	<b>(993)</b>	
<b>Economy &amp; Innovation</b>							<p>New grant funding has been secured and activity re-aligned since the budget was set creating projected full year savings of £0.9m. The new grant income largely relates to the British Film Industry (BFI).</p>
Other Industrial Strategy Income	1,101	662	439	1,352	1,323	29	
Economic Delivery	0	0	0	0	0	0	
Create Central Projects	127	0	127	434	0	434	
Policy and Programme Development	102	0	102	102	0	102	
<b>Total Income</b>	<b>1,330</b>	<b>662</b>	<b>668</b>	<b>1,888</b>	<b>1,323</b>	<b>565</b>	
Industrial Strategy	(1,280)	(1,008)	(272)	(2,045)	(2,016)	(29)	
Economic Delivery	(87)	(236)	149	(472)	(472)	0	
Create Central Projects	(127)	(458)	331	(434)	(916)	482	
Policy and Programme Development	(102)	0	(102)	(102)	0	(102)	
Funding For Growth	(350)	(350)	0	(700)	(700)	0	
<b>Total Expenditure</b>	<b>(1,946)</b>	<b>(2,052)</b>	<b>106</b>	<b>(3,753)</b>	<b>(4,104)</b>	<b>351</b>	
<b>Economy &amp; Innovation Net Total</b>	<b>(616)</b>	<b>(1,390)</b>	<b>774</b>	<b>(1,865)</b>	<b>(2,781)</b>	<b>916</b>	
<b>Health and Communities</b>							<p>Savings are largely due to the vacant posts and the timing of External Advice expenditure.</p>
Head of Health & Communities	16	0	16	0	0	0	
Thrive at Work	170	234	(64)	387	351	36	
IPS Programme	923	39	884	233	39	194	
<b>Total Income</b>	<b>1,109</b>	<b>273</b>	<b>836</b>	<b>620</b>	<b>390</b>	<b>230</b>	
Head of Health & Communities	(184)	(409)	225	(818)	(818)	0	
Thrive at Work	(170)	(200)	30	(387)	(387)	0	
IPS Programme	(923)	(76)	(847)	(233)	(153)	(80)	
<b>Total Expenditure</b>	<b>(1,277)</b>	<b>(685)</b>	<b>(592)</b>	<b>(1,438)</b>	<b>(1,358)</b>	<b>(80)</b>	
<b>Health and Communities Net Total</b>	<b>(168)</b>	<b>(412)</b>	<b>244</b>	<b>(818)</b>	<b>(968)</b>	<b>150</b>	
<b>Employment and Skills</b>							<p>The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.</p> <p>The underspend against grant funded programmes within Employment &amp; Skills has continued to increase, however workstream leads currently expect acceleration of activity over the next 6 months and budgets to be spent by the end of the year.</p>
Employment & Skills	27	0	27	0	0	0	
Construction Skills	19	73	(54)	142	142	0	
Adult Education	64,914	85,581	(20,667)	141,391	141,391	0	
Careers	145	137	8	137	137	0	
Digital Skills	2,641	10,334	(7,693)	15,647	15,647	0	
European Structural & Investment Funding	654	664	(10)	994	994	0	
Multiply	292	2,875	(2,583)	5,838	5,838	0	
UKSPF	449	7,715	(7,266)	14,252	14,252	0	
Health Inequalities	38	246	(208)	417	417	0	
DBT Growth Hub	157	0	157	0	0	0	
<b>Total Income</b>	<b>69,336</b>	<b>107,625</b>	<b>(38,289)</b>	<b>178,818</b>	<b>178,818</b>	<b>0</b>	
Employment & Skills	(606)	(817)	211	(1,649)	(1,649)	0	
Construction Skills	(19)	(73)	54	(142)	(142)	0	
Adult Education	(64,914)	(85,581)	20,667	(141,391)	(141,391)	0	
Careers	(145)	(137)	8	(137)	(137)	0	
Digital Skills	(2,641)	(10,334)	7,693	(15,647)	(15,647)	0	
European Structural & Investment Funding	(654)	(664)	10	(994)	(994)	0	
Multiply	(292)	(2,875)	2,583	(5,838)	(5,838)	0	
UKSPF	(449)	(7,715)	7,266	(14,252)	(14,252)	0	
Health Inequalities	(38)	(246)	208	(417)	(417)	0	
DBT Growth Hub	(157)	0	(157)	0	0	0	
West Midlands 5G	(312)	(312)	0	(625)	(625)	0	
<b>Total Expenditure</b>	<b>(70,227)</b>	<b>(108,754)</b>	<b>38,527</b>	<b>(181,092)</b>	<b>(181,092)</b>	<b>0</b>	
<b>Employment and Skills Net Total</b>	<b>(891)</b>	<b>(1,129)</b>	<b>238</b>	<b>(2,274)</b>	<b>(2,274)</b>	<b>0</b>	
<b>Levelling Up</b>							<p>The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.</p>
Head of Policy & Public Affairs	79	30	49	60	60	0	
Commonwealth Games Legacy Fund	2,325	0	2,325	0	0	0	
<b>Total Income</b>	<b>2,404</b>	<b>30</b>	<b>2,374</b>	<b>60</b>	<b>60</b>	<b>0</b>	
Office of Data Analytics	5	(90)	95	(180)	(180)	0	
Executive Director of Strategy, Integration and Ne	(188)	(169)	(19)	(351)	(351)	0	
Head of Research & Intelligence	(109)	(173)	64	(350)	(350)	0	
Head of Policy & Public Affairs	(231)	(291)	60	(558)	(558)	0	
Commonwealth Games Legacy Fund	(2,325)	0	(2,325)	0	0	0	
Public Affairs	(67)	(83)	16	(169)	(169)	0	
<b>Total Expenditure</b>	<b>(2,915)</b>	<b>(806)</b>	<b>(2,109)</b>	<b>(1,608)</b>	<b>(1,608)</b>	<b>0</b>	
<b>Levelling Up Net Total</b>	<b>(511)</b>	<b>(776)</b>	<b>265</b>	<b>(1,548)</b>	<b>(1,548)</b>	<b>0</b>	

	SEPTEMBER 2023 YEAR TO DATE			FULL YEAR 2023/24			Commentary
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Inclusive Communities</b>							
Homelessness	228	235	(7)	470	470	0	
<b>Total Income</b>	<b>228</b>	<b>235</b>	<b>(7)</b>	<b>470</b>	<b>470</b>	<b>0</b>	
Head of Systems Change & Inclusion	(130)	(173)	43	(371)	(371)	0	The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.
Youth Combined Authority	(90)	(127)	37	(278)	(278)	0	
Homelessness	(249)	(256)	7	(509)	(509)	0	
Inclusion	(79)	(100)	21	(260)	(260)	0	
<b>Total Expenditure</b>	<b>(548)</b>	<b>(656)</b>	<b>108</b>	<b>(1,418)</b>	<b>(1,418)</b>	<b>0</b>	
<b>Inclusive Communities Net Total</b>	<b>(320)</b>	<b>(421)</b>	<b>101</b>	<b>(948)</b>	<b>(948)</b>	<b>0</b>	
<b>Culture and Digital</b>							
Culture	80	136	(56)	272	272	0	
Tourism, Trade and Investment Programme	1,057	407	650	407	407	0	
DCIA	34	0	34	0	0	0	
<b>Total Income</b>	<b>1,171</b>	<b>543</b>	<b>628</b>	<b>679</b>	<b>679</b>	<b>0</b>	
Culture	(118)	(219)	101	(446)	(446)	0	The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.
Digital	(75)	(122)	47	(215)	(215)	0	
Tourism, Trade and Investment Programme	(1,057)	(407)	(650)	(407)	(407)	0	
DCIA	(34)	0	(34)	0	0	0	
<b>Total Expenditure</b>	<b>(1,284)</b>	<b>(748)</b>	<b>(536)</b>	<b>(1,068)</b>	<b>(1,068)</b>	<b>0</b>	
<b>Culture and Digital Net Total</b>	<b>(113)</b>	<b>(205)</b>	<b>92</b>	<b>(389)</b>	<b>(389)</b>	<b>0</b>	
<b>Environment &amp; Energy, HS2</b>							
Environment	179	145	34	336	336	0	
Community Green	241	219	22	353	353	0	
<b>Total Income</b>	<b>420</b>	<b>364</b>	<b>56</b>	<b>689</b>	<b>689</b>	<b>0</b>	
Environment	(513)	(483)	(30)	(1,201)	(1,201)	0	Expenditure to date is slightly ahead of budget but this is a timing difference only as expected to be in line with budget by the end of the year.
Community Green	(241)	(219)	(22)	(353)	(353)	0	
<b>Total Expenditure</b>	<b>(754)</b>	<b>(702)</b>	<b>(52)</b>	<b>(1,554)</b>	<b>(1,554)</b>	<b>0</b>	
<b>Environment &amp; Energy, HS2 Net Total</b>	<b>(334)</b>	<b>(338)</b>	<b>4</b>	<b>(865)</b>	<b>(865)</b>	<b>0</b>	
<b>Energy Capital</b>							
Energy Capital	206	151	55	284	284	0	
Net Zero Neighbourhood	1,111	0	1,111	0	0	0	
<b>Total Income</b>	<b>1,317</b>	<b>151</b>	<b>1,166</b>	<b>284</b>	<b>284</b>	<b>0</b>	
Energy Capital	(310)	(285)	(25)	(670)	(670)	0	The current underspend relates to the profiling of external advice spend. New grant income has been secured within Net Zero Neighbourhood.
Net Zero Neighbourhood	(1,130)	(30)	(1,100)	(60)	(60)	0	
<b>Total Expenditure</b>	<b>(1,440)</b>	<b>(315)</b>	<b>(1,125)</b>	<b>(730)</b>	<b>(730)</b>	<b>0</b>	
<b>Energy Capital Net Total</b>	<b>(123)</b>	<b>(164)</b>	<b>41</b>	<b>(446)</b>	<b>(446)</b>	<b>0</b>	
<b>Housing &amp; Regeneration</b>							
Director of Housing & Regeneration	969	919	50	1,837	1,837	0	
<b>Total Income</b>	<b>969</b>	<b>919</b>	<b>50</b>	<b>1,837</b>	<b>1,837</b>	<b>0</b>	
Director of Housing & Regeneration	(969)	(919)	(50)	(1,837)	(1,837)	0	The position is largely in line with budget.
<b>Total Expenditure</b>	<b>(969)</b>	<b>(919)</b>	<b>(50)</b>	<b>(1,837)</b>	<b>(1,837)</b>	<b>0</b>	
<b>Housing &amp; Regeneration Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Portfolio Net Total</b>	<b>1,362</b>	<b>(297)</b>	<b>1,659</b>	<b>73</b>	<b>0</b>	<b>73</b>	

Appendix 4

West Midlands Combined Authority Mayoral Budget – September 2023

	SEPTEMBER YEAR TO DATE			FULL YEAR 2023/24		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Other Grants	387	443	(56)	894	894	0
Other Income	3	0	3	52	52	0
<b>TOTAL INCOME</b>	<b>389</b>	<b>443</b>	<b>(53)</b>	<b>945</b>	<b>945</b>	<b>0</b>
Staff Costs	375	419	44	839	839	0
IT	0	0	0	0	0	0
Travel & Subsistence	6	17	11	43	43	0
Other	6	6	0	12	12	0
Mayoral Events	3	0	(3)	52	52	0
<b>TOTAL EXPENDITURE</b>	<b>390</b>	<b>443</b>	<b>53</b>	<b>946</b>	<b>946</b>	<b>0</b>
<b>NET MAYORAL BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Within the Mayoral Office there are savings against the Staffing budget to date which are offset by lower draw down of grant.

## Appendix 5

### WMCA Consolidated Capital Programme Year to Date Position

Note: Commentary only provided where Variance is +=£200k

#### WMCA Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Metro Birmingham Eastside Extension	19,845	36,340	16,495	47,313	65,007	17,694	The variance reflects funding pressures for Target Cost 2 (TC2) and changes in delivery scope. 2023/24 expenditure will be significantly reduced largely due to lands which will not be vested until later in the Programme alongside reduced construction and utilities works.
Metro Network Enhancements	4,460	9,605	5,145	20,947	27,066	6,119	There is an in year under-spend relating to the advance work package due delays to agreeing certain technical features and the completion of detailed design on the Wednesbury Depot project (£3m). There is also a prolonged procurement challenge on Metro Line 1 renewals project resulting in a £1.7m deferment into next financial year. A further £1.3m has been deferred to next financial year on the Traction Power Phase 2 project due to the updated phasing from the approved Target costs in May 2023.
Metro Edgbaston Extension	1,250	2,775	1,525	3,616	3,665	49	Current underspend as a result of revised delivery schedule.
Metro Wednesbury to Brierley Hill Extension	42,768	42,786	18	102,027	97,997	(4,031)	Variance largely due to construction works have progressed slightly quicker than anticipated.
Metro Wolverhampton City Centre Extension	4,115	7,870	3,755	7,932	7,932	(0)	Largely due to land purchase timing and non utilisation of the contingency fund.
Buy Before Boarding	197	1,738	1,541	5,309	5,210	(99)	TC2 approval was obtained later than originally anticipated and Ticket vending machine (TVM) payments are expected in Q3.
Metro Centenary Square Extension	51	617	566	666	617	(49)	The current underspend due to revised delivery schedule and is expected to be recovered over the year.
Metro - Other	1,530	1,738	208	3,600	4,073	474	The full year variance reflects the latest delivery programme in relation to Smart tram works.
<b>Total Metro Schemes</b>	<b>74,216</b>	<b>103,469</b>	<b>29,253</b>	<b>191,409</b>	<b>211,566</b>	<b>20,157</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Rail Station	5,974	8,077	2,102	12,189	12,189	0	The current under-spend is largely due to compensation events relating to University Station (£1.4m) where evidence has not been provided by the contractual partner. Also, planning approval fees (£0.1m) payable to Birmingham City Council are to be paid slightly later than originally expected.
Rail Package 1	4,898	8,016	3,118	20,841	20,807	(34)	In addition there are variations relating to the timing of construction costs (£0.3m) and Land Acquisition (£0.3m) in connection to Perry Barr Station which will take place later than originally expected.
Park and Ride	0	3	3	500	500	0	Work stopped in August due to the construction contractor going into administration. Its is now expected that a new contractor will take over and activity will commence during quarter 3.
Rail Package 2	15,737	19,821	4,084	34,863	34,810	(54)	Minor variance. Variance is due to underspend on physical construction works at each site due to various reasons including Badgers at Moseley, listed wall at Pineapple, water well at Kings Heath. A revised programme reflecting the current issues will be submitted to WMCA Board for approval.
Very Light Rail	0	75	75	600	600	0	Minor variance.
Rail Development	0	0	0	100	100	0	
Dudley Port Integrated Transport Hub	6	210	204	450	450	0	The current variance reflects the latest programme schedule.
Aldridge Station	20	729	709	1,341	2,015	673	The re-forecast reflects the timing of the Strategic Outline Business Case approval.
Rail - Other	2	138	136	359	359	0	Minor variance.
<b>Total Rail Schemes</b>	<b>26,638</b>	<b>37,068</b>	<b>10,431</b>	<b>71,243</b>	<b>71,829</b>	<b>586</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
National Productivity Investment Fund	903	931	29	1,170	1,170	(0)	Minor variance.
Clean Bus	905	1,085	180	6,226	6,226	0	
Cross City Bus	400	1,076	677	2,508	2,508	0	The timing of activity means that costs are expected to accelerate in the third quarter of the year.
East Birmingham to Solihull Corridor	68	202	134	499	499	0	Minor variance
BSIP Bus Priority Cross City Routes	596	1,443	847	2,538	3,110	572	Variance is largely due to BSIP Cross City priority (Package 5 Harborne to Castle Bromwich), design work contract process will complete by the 3rd quarter of the year.
Bus Station/Interchange	747	791	44	3,139	3,139	0	
Demand Responsive Bus	0	3	3	6	6	0	Minor variance.
BSIP Retrofit Programme	0	0	0	500	500	0	
<b>Total Bus Schemes</b>	<b>3,619</b>	<b>5,532</b>	<b>1,914</b>	<b>16,587</b>	<b>17,159</b>	<b>572</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Sprint Ph2 A45	2,819	3,429	610	8,340	8,202	(139)	
Sprint Ph2 A34	1,211	1,609	398	7,326	7,465	139	Variance largely due to timing, including slippage on design costs which are expected in Q3.
Sprint A45	715	971	256	1,420	1,420	0	
Sprint A34	1	(248)	(249)	304	304	0	
Hagley Road	83	306	223	2,420	2,420	0	Project has been reassigned from Midland Metro Alliance to SPRINT. A more informed position will be reflected in Q2 Forecast.
Hall Green to Interchange via Solihull	0	101	101	202	202	0	
Longbridge to Birmingham	0	0	0	57	57	0	Minor variance
<b>Total Sprint Schemes</b>	<b>4,829</b>	<b>6,167</b>	<b>1,339</b>	<b>20,070</b>	<b>20,070</b>	<b>0</b>	



## WMCA Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Air Quality	0	0	0	990	990	0	Minor variance
Better Streets Community Fund	91	0	(91)	141	141	0	
Priority One Development	204	68	(136)	690	690	0	Variances reflects the latest expected contract award date costs and roll out of TVM (Ticket Vending Machine)
Swift ceMV Contactless Payment Broker	536	1,045	509	1,496	4,082	2,586	
Electric Vehicles	142	267	126	5,614	5,614	0	Minor variance
<b>Total Sustainable Travel</b>	<b>972</b>	<b>1,380</b>	<b>408</b>	<b>8,931</b>	<b>11,517</b>	<b>2,586</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
KRN/MRN	21	250	229	607	607	0	Underspend due to revised delivery schedule.
Highways - Other	467	582	114	1,891	1,891	0	Minor variance
<b>Total Highways</b>	<b>488</b>	<b>832</b>	<b>343</b>	<b>2,498</b>	<b>2,498</b>	<b>0</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
RTCC	1,498	2,862	1,364	3,856	3,856	0	The variance comprises Moving traffic contravention project which are now expected to complete in Q3, and Phase 2 signals upgrade lower than anticipated.
FMZ	1,381	2,685	1,304	5,600	5,600	(0)	Variance is due to the timing of the Mobility as a Service (MaaS) app development
RTI	19	91	72	584	584	0	Minor variance
Scheme Development and M and E	295	604	309	1,688	1,688	0	
Digital and Data - Other	223	337	115	337	337	0	
<b>Total Digital &amp; Data</b>	<b>3,416</b>	<b>6,580</b>	<b>3,164</b>	<b>12,065</b>	<b>12,065</b>	<b>0</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Asset Management	606	795	189	2,188	2,188	0	Minor variance
Transport - Other	0	0	0	49	49	0	
<b>Total Other</b>	<b>606</b>	<b>795</b>	<b>189</b>	<b>2,237</b>	<b>2,237</b>	<b>0</b>	
<b>Total Transport Capital Programme</b>	<b>114,783</b>	<b>161,824</b>	<b>47,041</b>	<b>325,040</b>	<b>348,941</b>	<b>23,901</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Brownfield Land Fund	1,823	10,732	8,908	31,221	31,472	252	This variance is driven by a number of projects including Stratford Gateway where Stratford Council are still working on their master plan and Crown Project where applicant has not yet acquired the site, hence impacting on WMCA activity and spend.
Housing Land Fund	1,037	1,870	833	5,104	5,719	614	The variance is largely due a transfer of project support costs between LF Pipeline and BHF Pipeline and NCF Pipeline.
National Competitive Fund	146	1,078	932	2,685	2,568	(117)	In the main the variance reflects the latest delivery programme relating to the Phoenix 10 scheme within the Black Country Land and Property Investment Fund.
Land Remediation Fund	7,835	17,112	9,277	27,023	27,689	666	
<b>Total Housing &amp; Regeneration Schemes</b>	<b>10,841</b>	<b>30,791</b>	<b>19,950</b>	<b>66,033</b>	<b>67,448</b>	<b>1,414</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Social Housing	4,568	4,568	0	4,568	4,568	0	Variances mainly due to private residents dropping out of the programme and there has also been difficulty with the supply chain on external wall installation due to timescales and national demand.
Sustainable Warmth	346	1,621	1,275	1,621	1,621	0	
Net Zero - Other	0	0	0	158	158	0	
<b>Total Net Zero Schemes</b>	<b>4,914</b>	<b>6,189</b>	<b>1,275</b>	<b>6,347</b>	<b>6,347</b>	<b>0</b>	
<b>Total WMCA Delivered Schemes</b>	<b>130,538</b>	<b>198,804</b>	<b>68,266</b>	<b>397,420</b>	<b>422,735</b>	<b>25,315</b>	

## Externally Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
<b>Rail - External</b>							
Very Light Rail - External	1,871	1,953	81	9,966	6,329	(3,637)	This project is retained by DfT, who in Summer 2023 confirmed the release of further funding to be immediately available to the project, thus the annual forecast to budget variance is not indicative of cost over runs. This has allowed an acceleration of forecast works and expenditure.
Solihull Rail Station	0	0	0	250	750	500	
West Coast Mainline	0	0	0	0	0	0	
<b>Total Rail</b>	<b>1,871</b>	<b>1,953</b>	<b>81</b>	<b>10,216</b>	<b>7,079</b>	<b>-3,137</b>	
<b>Bus - External</b>							
East Birmingham to Solihull Corridor - External	139	0	(139)	1,000	1,000	0	Minor Vaiance
UKC - Solihull - Dorridge Bus Priority	0	0	0	0	500	500	Funding for Dorridge Bus Priority is yet to be formally approved due to CRSTS re-baselining exercise. Therefore, capital expenditure is now expected to be incurred from FY24/25 onwards.
<b>Total Bus</b>	<b>139</b>	<b>0</b>	<b>-139</b>	<b>1,000</b>	<b>1,500</b>	<b>500</b>	
<b>Grants to Local Authorities - Transport</b>							
City Centre Regeneration	6,244	12,187	5,942	44,866	51,688	6,822	Variance primarily due to Coventry City Centre South Regeneration reflecting the latest delivery schedule in regard to the acquisition of land necessary for assembly of the project and completion of demolition works.
Cycling and Walking	1,303	2,363	1,060	12,241	12,241	(0)	
Highways	3,279	3,922	644	6,377	6,377	0	
Highways Maintenance	11,805	11,805	0	23,611	23,611	0	
Local Network Improvement Plan	8,018	8,018	0	16,035	16,035	0	
Very Light Rail - External Grants	0	0	0	0	0	0	
Grants to Local Authorities - Other	1,813	1,564	(250)	4,229	5,150	921	
HS2 Enabling	1,306	1,308	3	3,063	4,464	1,401	
<b>Grants to Local Authorities - Transport</b>	<b>33,768</b>	<b>41,166</b>	<b>7,399</b>	<b>110,423</b>	<b>119,566</b>	<b>9,143</b>	
<b>Sustainable Travel - External</b>							
Electric Vehicles - External	58	114	56	3,389	3,389	0	Forecast variance - CRSTS Wolverhampton CC Walk, Cycle and Bus Package £4.0m deferred to next financial year. CRSTS - CRNaC - Foleshill Transport Package £2.8m reduction in forecast due to development phase deferred next financial year.
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	100	100	0	700	700	0	
City Centre Active Travel Connections to Interchange	0	0	0	410	410	0	
One Station and Smalbrook Queensway	100	100	0	1,000	1,000	0	
Snow Hill Growth Strategy	0	150	150	750	750	0	
Foleshill Transport Package	150	112	(38)	1,332	4,038	2,706	
Cov South Sustainable Transport	325	708	383	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	67	67	(0)	200	200	0	
Smethwick - Birmingham Inclusive Growth Corridor Transport Package	65	0	(65)	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	63	0	(63)	2,050	2,600	550	
A41 Moxley Iron Park to Walsall Town Centre Walk, Cycle and Bus Corridor	30	0	(30)	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	198	0	(198)	800	800	0	
A449 Walk, Cycle and Bus Corridor	117	0	(117)	1,397	1,635	238	
Wolverhampton City Centre Movement - Walk, Cycle and Bus Package	0	0	0	0	4,000	4,000	
<b>Sustainable Travel - External Sub-Total</b>	<b>1,273</b>	<b>1,351</b>	<b>79</b>	<b>20,746</b>	<b>31,629</b>	<b>10,882</b>	
<b>Total Transport Schemes</b>	<b>37,050</b>	<b>44,470</b>	<b>7,420</b>	<b>142,386</b>	<b>159,775</b>	<b>17,389</b>	
<b>£000's</b>							
UKSPF Communities & Place	(1)	2,549	2,550	8,972	8,972	0	Substantive spend will be in latter part the financial year. Delay in part due to late grant notification. Variance reflects a revised delivery programme partly due to the discovery of a mine shaft on site and the need for further planning and design.
CoW Technical Centre	981	1,711	730	5,575	6,198	623	
<b>Total Economic Delivery, Skills &amp; Communities Schemes</b>	<b>980</b>	<b>4,260</b>	<b>3,280</b>	<b>14,547</b>	<b>15,169</b>	<b>623</b>	
<b>Total Externally Delivered Schemes</b>	<b>38,031</b>	<b>48,731</b>	<b>10,700</b>	<b>156,932</b>	<b>174,944</b>	<b>18,012</b>	
<b>Total Capital Programme</b>	<b>168,569</b>	<b>247,535</b>	<b>78,966</b>	<b>554,353</b>	<b>597,680</b>	<b>43,327</b>	

## Appendix 6

### Compliance with Treasury and Prudential Limits

It is a statutory duty for the Authority to determine and keep under review its affordable borrowing limits. During the *quarter ended* 30<sup>th</sup> September 2023, the Authority has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and Capital Strategy for 2023/24. The Finance Director reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

#### Treasury Management Indicators as at September 2023 (Quarter 2)

£M	Treasury Management Strategy Indicator 2023/24	As at 30.09.2023
Authorised Limit for External Debt <sup>1</sup>	1,032	1,032
Operational Boundary for External Debt <sup>2</sup>	982	982

£M	Budget 2023/24	As at 30.09.2023
Forecast Gross External Debt as at 31.03.2024	598	598
Forecast Investments as at 31.03.2024	375	628
<b>Net Borrowing (Gross External Debt LESS Forecast Investments)<sup>3</sup></b>	<b>223</b>	<b>(30)</b>

<sup>1</sup> The **Authorised Limit** is a statutory limit determined under Section 3(1) of the Local Government Act 2003 for English and Welsh authorities. The Authority has no legal power to borrow in excess of the limits set. Revision of this Indicator would need to be approved by a full Board meeting in advance of any external debt taken on in excess of the limit then in force. The Authorised Limit reflects a level of external debt that, whilst not desired, could be afforded by the Authority in the short-term, but which is not sustainable in the longer-term. The Indicators for the Operational Boundary and Gross debt and the CFR will both be set below the level of the Authorised Limit.

<sup>2</sup> The **Operational Boundary** is the limit beyond which external debt is not normally expected to exceed. Unlike the Authorised Limit, the Operational Boundary is not an absolute limit, but it reflects the Authority's expectations of the level at which external debt would not ordinarily be expected to exceed.

<sup>3</sup> **Net Borrowing** – gross external debt less investment balances – is forecast to fall during the year as investment levels have risen as a consequence of capital expenditure slippage from 2022/23.

**Maturity Structure of Borrowing:** The Authority is required to set gross limits on maturities for the periods shown and covers both fixed and variable rate borrowings. The reason being to try and control the Authority's exposure to large sums falling due for refinancing.

	Upper Limit	Lower limit	Actual
Under 12 months	75%	0%	8%
12 months and within 24 months	50%	0%	2%
24 months and within 5 years	70%	0%	8%
5 years and within 10 years	70%	0%	23%
10 years and above	70%	0%	59%

**Principal sums invested for periods longer than a year:** The purpose of this indicator is to control WMCA's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end are:

£M	2023/24	2024/25	2025/26
Limit on principal invested longer than a year	25	25	25
Actual	5	5	5

## Prudential Indicators

£'000	2023/24 Budget	31.03.2023 Actual	As at 30.09.2023
Capital Expenditure	593,915	347,014	168,569
Capital Financing Requirement (CFR)	840,258	624,191	673,674
Annual/(YTD) Change in CFR	216,017	63,621	49,483
In year borrowing requirement	100,000	65,000	100,000
Ratio of financing costs to net revenue stream <sup>4</sup>	-1.71%	1.22%	-5.20%

<sup>4</sup> The ratio shows the estimated annual revenue costs of borrowing, less net interest receivable on investments, as a proportion of annual income from constituent members - levy and fees - and central government (net revenue stream). WMCA has a negative budgeted ratio for 2023/24 as interest receivable on investments exceeds interest payable on loans and Minimum Revenue Provision (MRP.)

**Figures are subject to adjustments and sign-off from external auditors.**

## Appendix 7

## Total Regional Investment Programme Expenditure as at 31 August 2023

PROGRAMME	COST TO COMPLETION			
	PRIOR PERIOD SPEND	2023 / 2024 FORECAST OUTTURN	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN
	£000	£000	£000	£000
COVENTRY UKC PLUS	274,802	8,453	430,721	713,976
SPRINT PROGRAMME	96,982	4,403	191,145	292,530
RAIL PROGRAMME	73,367	59,494	101,502	234,364
METRO PROGRAMME	603,798	161,554	1,134,441	1,899,792
UK CENTRAL INFRASTRUCTURE PACKAGE	220,076	16,461	1,073,629	1,310,167
UK CENTRAL HS2 INTERCHANGE	43,346	3,063	581,333	627,742
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>1,312,371</b>	<b>253,428</b>	<b>3,512,771</b>	<b>5,078,571</b>
COVENTRY CITY CENTRE SOUTH REGENERATION	87,587	48,778	231,208	367,572
INNOVATION PROGRAMME	43,265	1,467	149,679	194,412
LAND RECLAMATION AND REMEDIATION	67,381	27,023	105,596	200,000
COMMONWEALTH GAMES 2022	78,348	-	-	78,348
EMPLOYMENT, EDUCATION & SKILLS	1,312	-	18,687	20,000
BUSINESS AND TOURISM PROJECT - BATP	22,533	1,415	-	23,948
COVENTRY ELECTRIC BUS CITY	21,273	6,013	112,214	139,500
REGIONAL RECOVERY & RISKS	13,391	9,724	26,791	49,906
COLLECTIVE INVESTMENT FUND	123,482	33,755	842,763	1,000,000
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>458,572</b>	<b>128,175</b>	<b>1,486,939</b>	<b>2,073,686</b>
<b>GRAND TOTAL</b>	<b>1,770,943</b>	<b>381,603</b>	<b>4,999,710</b>	<b>7,152,257</b>

## Appendix 8

### WMCA Investment Programme Commitments as at September 2023

WMCA Investment Programme Commitment	Approved Commitments	Actual Spend To Date
Coventry UK Central Plus	94,805	94,336
Sprint Programme	47,034	41,762
Rail Programme	63,026	21,755
Metro Programme	227,030	101,754
UK Central Infrastructure Package	35,128	27,940
UK Central HS2 Interchange	57,539	42,328
<b>Subtotal - HS2 Growth Strategy</b>	<b>524,562</b>	<b>329,876</b>
Coventry City Centre South Regeneration	149,954	64,119
Innovation Programme	16,131	14,703
Land Reclamation and Remediation	103,040	69,245
Commonwealth Games 2022	25,000	25,000
Employment, Education & Skills	1,312	1,312
Business and Tourism Project - B ATP	2,600	1,792
Coventry Electric Bus City	5,000	579
Regional Recovery & Risks	26,150	13,535
<b>Subtotal - Other IP Schemes</b>	<b>329,187</b>	<b>190,286</b>
<b>Grand Total</b>	<b>853,749</b>	<b>520,162</b>

## Appendix 9

### WMCA CRSTS Commitments as at 31st August 2023

CRSTS COMMITMENTS (£m)		Funding Approved	Subject to approval by SAF	Total Expected CRSTS Funding
WMCA Delivered Schemes	Bus	4.50	81.46	85.96
	Digital and Data	7.00	-	7.00
	LNIP Top Slice	27.33	-	27.33
	Metro	124.92	0.08	125.00
	Rail	1.50	43.41	44.90
	Sprint	82.50	25.00	107.50
	Sustainable Travel	11.51	34.09	45.60
<b>Total WMCA Delivered Schemes</b>		<b>259.25</b>	<b>184.04</b>	<b>443.29</b>
Externally Delivered Schemes	Bus	0.50	18.50	19.00
	Rail	36.28	40.22	76.50
	Sustainable Travel	8.12	302.52	310.64
	Transport	-	-	-
	Very Light Rail	-	-	-
<b>Total Externally Delivered Schemes</b>		<b>44.90</b>	<b>361.24</b>	<b>406.14</b>
Grants to LAs	Highways Maintenance	120.40	-	120.40
	Local Network Improvement Plan	80.18	-	80.18
<b>Total Grants to Local Authorities</b>		<b>200.58</b>	<b>-</b>	<b>200.58</b>
<b>CRSTS TOTAL</b>		<b>504.73</b>	<b>545.27</b>	<b>1,050.00</b>

## Appendix 10

### WMCA Administered Funds – September 2023

Funding Stream	Grant Awarded £'000	Spend to Date £'000	Purpose
Midlands Connect	35,867	31,004	Revenue funding. Midlands Connect researches, develops and progresses transport projects that will benefit the region, its people and its businesses. The overall ambition is to make the Midlands region fairer, greener and stronger for everyone who lives here. <i>Note funding is accumulative since 2017</i>
One Public Estate	1,903	1,007	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.
Active Travel Fund - Capital	39,075	8,173	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.
Active Travel Fund - Revenue	1,157	1,967	Revenue funding to support the above.
<b>Total</b>	<b>78,002</b>	<b>42,151</b>	



## Appendix 11

### WMCA Balance Sheet – September 2023

	30 September 2023 £'000	31 August 2023 £'000	Movement £'000
Property, plant and equipment	776,829	763,805	13,024
Intangible assets	1,209	1,304	(95)
Investments	66,431	60,484	5,947
Loan Receivables	15,891	16,239	(348)
<b>Long-term assets</b>	<b>860,360</b>	<b>841,833</b>	<b>18,528</b>
Short-term debtors	94,240	89,087	5,153
Short-term deposits	960,538	984,738	(24,200)
Cash and bank	1,240	445	795
<b>Current assets</b>	<b>1,056,018</b>	<b>1,074,270</b>	<b>(18,252)</b>
Loans - interest due	(3,255)	(4,191)	936
Short-term loans	(83,400)	(55,000)	(28,400)
Short-term creditors/accruals	(139,207)	(138,685)	(522)
<b>Current liabilities</b>	<b>(225,862)</b>	<b>(197,876)</b>	<b>(27,986)</b>
<b>Net current assets</b>	<b>830,156</b>	<b>876,394</b>	<b>(46,238)</b>
Provisions	(5,450)	(5,432)	(18)
Loans - PWLB	(487,846)	(489,694)	1,848
Other long-term loans	(110,000)	(110,000)	-
Dudley MBC	(3,670)	(3,670)	-
Grants receipts in advance	(531,261)	(545,528)	14,267
<b>Long-term liabilities</b>	<b>(1,138,227)</b>	<b>(1,154,324)</b>	<b>16,097</b>
<b>Net assets</b>	<b>552,289</b>	<b>563,902</b>	<b>(11,613)</b>
General fund balance	8,417	8,091	326
Earmarked reserves	377,992	387,783	(9,791)
Capital receipts reserve	3,994	3,994	-
<b>Usable reserves</b>	<b>390,403</b>	<b>399,868</b>	<b>(9,465)</b>
Revaluation reserve	5,933	5,933	-
Deferred capital grants account	833,515	820,587	12,928
Capital financing account	(673,741)	(658,665)	(15,076)
Financial Instruments Adjustment Account	(2,830)	(2,830)	-
Accumulated absences account	(990)	(990)	-
<b>Unusable reserves</b>	<b>161,886</b>	<b>164,034</b>	<b>(2,148)</b>
<b>Total reserves</b>	<b>552,289</b>	<b>563,902</b>	<b>(11,613)</b>