



Transport Delivery Overview & Scrutiny Committee

Date	11 th December 2023
Report title	Financial Monitoring Report
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Report to be/has been considered by	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 30th September 2023 against the TfWM Revenue Budget which shows a favourable variance of £2.2m, as detailed in Section A.
2. Note the TfWM Capital Programme position as at 30th September 2023 which shows a favourable variance of £47.0m for WMCA delivered schemes and a favourable variance of £7.4m for externally delivered schemes against budget, as detailed in Section B.

1. Purpose

- 1.1 This report sets out the financial position as at 30 September 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 £2.6m which represents a favourable variance from budget of £2.2m.

	September Year to Date			Full Year		
	Actual £'000	Budget £'000	Variance £'000	Forecast £'000	Budget £'000	Variance £'000
Net TfWM Surplus / (Deficit) before reserves	(2,413)	(4,639)	2,226	(9,235)	(9,201)	(34)
Use of Reserves	5,056	5,040	16	9,295	9,201	94
Net TfWM Surplus / (Deficit)	2,643	401	2,242	60	0	60

2.2 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.

2.3 Concessionary related underspends have arisen from having negotiated concessionary deals with operators which pay based on actual patronage, which is still 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 The second re-forecast will be completed in October 2024 and reported to Transport Delivery Overview & Scrutiny Committee 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.

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 £114.8m for WMCA delivered schemes which is £47.0m behind the profiled budget. For externally delivered schemes, expenditure totals £37.1m which is £7.4m behind budget at this stage of the year.

£000's	YTD			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Metro	74,216	103,469	29,253	191,409	211,566	20,157
Rail	26,638	37,068	10,431	71,243	71,829	586
Bus	3,619	5,532	1,914	16,587	17,159	572
Sprint	4,829	6,167	1,339	20,070	20,070	0
Highways	488	832	343	2,498	2,498	0
Digital and Data	3,416	6,580	3,164	12,065	12,065	(0)
Other Transport	606	795	189	2,237	2,237	0
Sustainable Travel	972	1,380	408	8,931	11,517	2,586
Total WMCA Delivered Schemes	114,783	161,824	47,041	325,040	348,941	23,901
Rail	1,871	1,953	81	10,216	7,079	(3,137)
Bus	139	0	(139)	1,000	1,500	500
Grants to Local Authorities	33,768	41,166	7,399	110,423	119,566	9,143
Sustainable Travel	1,273	1,351	79	20,746	31,629	10,882
Total Externally Delivered Schemes	37,050	44,470	7,420	142,386	159,775	17,389
Total Capital Programme	151,834	206,295	54,461	467,426	508,716	41,290

3.2 Within Transport, the variances are mainly within Metro (£29.3m), Rail (£10.4m) and Data and Digital (£3.2m).

3.3 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 acquisition and a further £5.1m on Metro enhancements due to discovery of mineshaft. In addition, the rescheduling of land purchases for the Wolverhampton City Centre Extension has resulted in £3.7m variance.

3.4 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 expected to resume in Quarter 3 now that a new contractor has been appointed.

3.5 There are savings against budget to date on the Data and Digital workstreams relating to the timing of project work.

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 at 30th 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
Total Funding	64,733	64,717	16	133,324	133,229	94
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
Concessions	(27,130)	(27,486)	356	(58,760)	(58,985)	225
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)
Bus Services	(13,198)	(14,184)	986	(26,747)	(26,752)	5
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
Rail and Metro Services	(7,074)	(7,170)	96	(15,660)	(16,679)	1,019
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)
Integration	(4,340)	(4,531)	190	(11,000)	(10,886)	(114)
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)
Total Expenditure	(62,089)	(64,317)	2,228	(133,263)	(133,229)	(34)
Net Surplus / Deficit	2,644	400	2,244	60	0	60

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 2 TfWM Delivered Capital Schemes

£000's	September Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Metro Birmingham Eastside Extension	19,845	36,340	16,495	47,313	65,007	17,694
Metro Network Enhancements	4,460	9,605	5,145	20,947	27,066	6,119
Metro Edgbaston Extension	1,250	2,775	1,525	3,616	3,665	49
Metro Wednesbury to Brierley Hill Extension	42,768	42,786	18	102,027	97,997	(4,031)
Metro Wolverhampton City Centre Extension	4,115	7,870	3,755	7,932	7,932	(0)
Buy Before Boarding	197	1,738	1,541	5,309	5,210	(99)
Metro Centenary Square Extension	51	617	566	666	617	(49)
Metro - Other	1,530	1,738	208	3,600	4,073	474
Total Metro Schemes	74,216	103,469	29,253	191,409	211,566	20,157
Rail Station	5,974	8,077	2,102	12,189	12,189	0
Rail Package 1	4,898	8,016	3,118	20,841	20,807	(34)
Park and Ride	0	3	3	500	500	0
Rail Package 2	15,737	19,821	4,084	34,863	34,810	(54)
Very Light Rail	0	75	75	600	600	0
Rail Development	0	0	0	100	100	0
Dudley Port Integrated Transport Hub	6	210	204	450	450	0
Aldridge Station	20	729	709	1,341	2,015	673
Rail - Other	2	138	136	359	359	0
Total Rail Schemes	26,638	37,068	10,431	71,243	71,829	586
National Productivity Investment Fund	903	931	29	1,170	1,170	(0)
Clean Bus	905	1,085	180	6,226	6,226	0
Cross City Bus	400	1,076	677	2,508	2,508	0
East Birmingham to Solihull Corridor	68	202	134	499	499	0
BSIP Bus Priority Cross City Routes	596	1,443	847	2,538	3,110	572
Bus Station/Interchange	747	791	44	3,139	3,139	0
Demand Responsive Bus	0	3	3	6	6	0
BSIP Retrofit Programme	0	0	0	500	500	0
Total Bus Schemes	3,619	5,532	1,914	16,587	17,159	572
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
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
Hall Green to Interchange via Solihull	0	101	101	202	202	0
Longbridge to Birmingham	0	0	0	57	57	0
Total Sprint Schemes	4,829	6,167	1,339	20,070	20,070	0
Air Quality	0	0	0	990	990	0
Better Streets Community Fund	91	0	(91)	141	141	0
Priority One Development	204	68	(136)	690	690	0
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
Total Sustainable Travel	972	1,380	408	8,931	11,517	2,586
KRN/MRN	21	250	229	607	607	0
Highways - Other	467	582	114	1,891	1,891	0
Total Highways	488	832	343	2,498	2,498	0
RTCC	1,498	2,862	1,364	3,856	3,856	0
FMZ	1,381	2,685	1,304	5,600	5,600	(0)
RTI	19	91	72	584	584	0
Scheme Development and M and E	295	604	309	1,688	1,688	0
Digital and Data - Other	223	337	115	337	337	0
Total Digital & Data	3,416	6,580	3,164	12,065	12,065	0
Asset Management	606	795	189	2,188	2,188	0
Transport - Other	0	0	0	49	49	0
Total Other	606	795	189	2,237	2,237	0
Total Transport Capital Programme (WMCA Delivered)	114,783	161,824	47,041	325,040	348,941	23,901

Appendix 3 Externally Delivered Capital Schemes

£000's	YTD			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Rail - External						
Very Light Rail - External	1,871	1,953	81	9,966	6,329	(3,637)
Solihull Rail Station	0	0	0	250	750	500
West Coast Mainline	0	0	0	0	0	0
Total Rail	1,871	1,953	81	10,216	7,079	-3,137
Bus - External						
East Birmingham to Solihull Corridor - External	139	0	(139)	1,000	1,000	0
UKC - Solihull - Dorridge Bus Priority	0	0	0	0	500	500
Total Bus	139	0	-139	1,000	1,500	500
Grants to Local Authorities - Transport						
City Centre Regeneration	6,244	12,187	5,942	44,866	51,688	6,822
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
Grants to Local Authorities - Transport	33,768	41,166	7,399	110,423	119,566	9,143
Sustainable Travel - External						
Electric Vehicles - External	58	114	56	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	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
Sustainable Travel - External Sub-Total	1,273	1,351	79	20,746	31,629	10,882
Total Transport Capital Programme (Externally Delivered)	37,050	44,470	7,420	142,386	159,775	17,389