

## WMCA Board

<b>Date</b>	12 January 2024
<b>Report title</b>	WMCA Draft Budget 2024/25
<b>Portfolio Lead</b>	Finance - Councillor Bob Sleight, Deputy Mayor
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<b>Report has been considered by</b>	WMCA Executive Board – 3 January 2024 WMFD – 4 January 2024

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

#### The WMCA Board is recommended to:

1. Approve for consultation the draft 2024/25 West Midlands Combined Authority consolidated revenue budget summarised in Section 4. This includes:
  - a) The budget requirement for Transport delivery in 2024/25 of £198.3m comprising three elements:
    - i. £122.9m to be funded from the existing Transport Levy mechanism
    - ii. £70.4m of grant funding
    - iii. Use of windfall gains from Treasury management of £5.0m.
  - b) The budget requirement for Portfolio delivery in 2024/25 of £262.0 million comprising of six elements:

- i. £142m Adult Education (including level 3) spending to be funded from Adult Education Budget funding devolved by the Department for Education<sup>1</sup>
  - ii. £104.4m to be funded from Devolution deal grants
  - iii. £2.3m to be funded from other income, notably Investment income
  - iv. £4.6m to be funded from Constituent Authority fees (fees to remain at the same level as 2023/24)
  - v. £0.4m to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2023/24)
  - vi. Use of £8.3m Business Rates retention income.
2. Approve for consultation and scrutiny the Mayoral Office budget for 2024/25 of £7.0m, of which £0.9m to be funded from additional Mayoral Capacity Funding, and election costs of £6.1m funded from earmarked reserves.
3. Note that there will be no Mayoral Precept during 2024/25.
4. Review the Mayor's budget and set out in a report to the Mayor whether it is approved in its current form including any recommendations before 8<sup>th</sup> February.
5. Approve for consultation the draft 2024/25 Capital Programme of £719.8m.
6. Note the planned spend on the Investment Programme over the period.
7. Note the West Midlands Combined Authority's ongoing commitment to work with the Mayor and Leaders to discuss a sustainable funding solution for transport which will meet the scale of ambition for the network.
8. Note the matters identified by Overview and Scrutiny Committee and Transport Delivery Overview and Scrutiny Committee that arose out of the Mayoral Q&A on 14 December 2023.

## **1.0 Purpose**

- 1.1. The purpose of this report is to set out the draft 2024/25 budget for consideration by the West Midlands Combined Authority Board, to allow for feedback to inform the Final 2024/25 budget to be approved in February 2023.
- 1.2. The report also sets out the medium term outlook for the organisation, and the steps being taken to ensure that the position is sustainable.
- 1.3. The WMCA Overview and Scrutiny Committee and Transport Delivery Overview and Scrutiny Committee has undertaken the scrutiny work and feedback following the Mayoral Q&A session on the budget which took place on 14 December 2023. A summary is attached to this report at Appendix 7.

## **2.0 Background**

- 2.1. This report represents the first part of the formal process to determine the WMCA Budget, Levy and Precept levels for 2024/25. If approved, this report will form the basis for budget proposals to WMCA Board on 9 February 2024.

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<sup>1</sup> The 2024/25 Adult Education Budget to be devolved from Department for Education will be confirmed in early 2024 and an update provided to Board via the Financial Monitoring report.

## **Strategic Context**

2.2. The WMCA's Vision - to deliver a more prosperous and better-connected West Midlands which is fairer, greener and healthier - and six Aims and Objectives, as agreed by the WMCA in November 2021, drive the budget planning and medium term financial planning process. Resource allocation is aligned with these agreed Aims and Objectives and underpins the delivery of the WMCA's vision. The six Aims and Objectives to deliver the region's priorities which are outlined below:

- Promote inclusive economic growth in every corner of the region;
- Ensure everyone has the opportunity to benefit;
- Connect our communities by delivering transport and unlocking housing and regeneration schemes;
- Reduce carbon emissions net zero and enhance the environment and boost climate resilience;
- Secure new powers and resources from Central Government; and
- Develop our organisation and our role as a good regional partner.

2.3. This report includes the proposed WMCA activities for 2024/25 alongside the funding requirement to deliver these (Appendix 4). This year's process builds on the success of the previous, with the budget being again planned from the bottom up, giving a more robust indication of the resources needed to deliver service activities. The budgets have been subject to rigorous internal review, challenge and scrutiny led by the Authority's S151 Officer to ensure that they were robust, deliverable and aligned with planned activities in 2024/25.

## **Economic Context**

2.4. The WMCA is continuing to operate in a period of significant financial uncertainty. The WMCA's financial resilience is of utmost importance in order to be able to deal with these uncertainties, deliver statutory services and to have the ability to focus resources on key activities in support of the organisation's Aims and Objectives. The 2024/25 draft budget has been prepared using the best information available at the time of writing.

2.5. Over the past two years, CPI inflation has been at its highest level in 41 years, peaking at 11.1% in November 2022. Since that peak, inflation has gradually subsided, and was 4.6% in October 2023. The latest predictions from the Bank of England are for inflation to steadily reduce over the next year CPI to return to the 2% target by the end of 2025. Although there are some positive signals regarding UK inflation decelerating, the impact is being experienced across all services with impacts on the WMCA's cost base and income levels. To respond to this increase in price, base costs have been increased by 3% on 2023/24 levels and 15% for energy.

2.6. After 14 consecutive increases in interest rates, in September 2023 the Bank of England held interest rates at 5.25% and this remained unchanged at the review in December. Forecasters do not anticipate that the Bank of England will start to contemplate cuts until the first quarter of 2024. High interest rates affect the borrowing costs. As part of the strategy for minimising cost and managing the risk of interest rate change, the financial plans assume that borrowing will be limited in 2024/25 and will not be undertaken unless absolutely necessary. It is recognised that there will be some windfall gains on investment income arising from the higher interest rates. Due to the temporary nature of these windfall gains, the WMCA has been careful in its application to ensure that ongoing commitments are not created which increase the cost base further.

- 2.7. The UK economy has grown by 0.5% during the first three quarters of 2023. Whilst concerns of a deep recession have gone away, some remain around the economy's weak performance and signs of stress. It is likely that high interest rates, uncertainties around the upcoming General election and relatively low productivity will continue to impact on economic growth.

### **Political context**

- 2.8. The most recent Autumn Statement, delivered on 22 November 2023, included a number of regional priorities, including the West Midlands' Investment Zone and the single settlement, both of which will positively impact the WMCA in future years. Approval was granted for the West Midlands' Investment Zone, with the potential to directly attract more than £2bn of new investment into the regional economy and a further £3.5bn overall, creating more than 30,000 jobs by 2034. The region would also be able to bid into a national £150m Investment Opportunity Fund to attract private investment. The Investment Zone is good news for the region as it should help in driving growth in advanced manufacturing, green industries, health-tech and underlying digital technologies. Government will continue to work with the WMCA and other partners to co-develop the plans for the Investment Zone, including priority development sites and specific interventions to drive cluster growth, ahead of the final confirmation of the plans.
- 2.9. The Statement also confirmed a single pot of funding for the West Midlands on a 4 year allocation cycle, leaving local leaders to decide for themselves on how best to allocate the money to help level up the region. Whilst discussions are still ongoing in respect of the quantum of funding and the formulae for the allocations, this is a significant milestone and benefits the region in terms of greater financial certainties and the avoidance of competitive bidding for funding. Payments will start at the next Spending Review period, expected to be in 2025. The process is being guided by the principle that the WMCA should not take on any additional responsibilities that are not properly resourced. As a matter of prudence, no attempt has been made to reflect any potential outcomes of single settlement within existing financial plans at this stage.
- 2.10. Following the confirmation of the cancellation of the northern leg of HS2 in October 2023, a £36bn package of transport interventions was announced across the North and Midlands called Network North. Within this a further £16.6m of BSIP funds has been announced for 2024/25, critical investment for delivering further improvements for transport. This is around 11% of the national allocation. It is anticipated that this can be used to continue to transform bus services and maintain current levels of service on the bus network for this period in line with existing guidance. A further £250m of revenue funding has been committed over a 5 -year period to support network stability, some of which (£24.9m) have been deployed in 2024/25 to fund existing pressures on the transport network. The existing £1.1bn award to WMCA as part of the City Regional Sustainable Transport Settlement (CRSTS) Fund has been uplifted by a further £2.6bn to allow the WMCA to continue its wide-ranging capital programme. The uplift includes £100m capital funding to help with delivery of the existing metro extensions and Arden Cross schemes. As a result of inflation and prolongation of some schemes, capital project budgets have been coming under significant pressure to deliver within their financial envelopes, so the WMCA taken advantage of the opportunity to present a rebased position for CRSTS to DfT for approval. At the time of finalising this report WMCA is awaiting DfT approval.
- 2.11. As part of the Autumn 2022 Statement, Government deferred reforms to local government funding to at least 2025/26 at the earliest. The reset of the business rates baseline will potentially reduce the business rates income available to the WMCA. This reset has the

effect of taking any business rate gains that have built up by the West Midlands pilot and redistributing it nationally based on relative need. Due to the uncertainties around timing and impact, the medium term financial plans do not yet reflect this potential pressure, but it is being monitored as a risk.

2.12. The Government has recently launched a consultation that focuses on the proposed transfer of Police and Crime Commissioner (PCC) functions to the Mayor of the West Midlands Combined Authority. The consultation has been designed to enable the Home Secretary to gather views to allow him to make a decision on whether to lay an order before Parliament transferring PCC functions from the next mayoral election in May 2024. If a transfer took place, the Mayor's PCC functions would include:

- issuing a Police and Crime Plan for the West Midlands
- setting the police budget
- appointing the Chief Constable
- addressing complaints about policing services
- providing commissioning services for victims of crime
- working in partnership to ensure that the local criminal justice system is efficient and effective.

If the Home Secretary decides to proceed with the transfer and the necessary secondary legislation is approved by Parliament, these functions will be transferred from the mayoral election in May 2024, including the transfer of all assets, liabilities, funding and budgets.

#### **Key features of Budget 2024/25**

2.13. The overarching objective is to set an affordable and balanced budget that supports delivery of the Aims and Objectives. The budget takes a prudent approach to funding with new grants not being recognised until funding agreements/confirmation have been received from Government. The WMCA recognises that reserves are one-off monies and has therefore not relied on their use for meeting recurrent financial commitments and balancing the budget.

2.14. The key headlines for the 2024/25 draft budget are as follows:

- No Mayoral Precept to be introduced for 2024/25.
- Total revenue expenditure of £506.9m, alongside a capital programme totalling £719.8m for 2024/25.
- Transport Levy to be increased by 3.0% compared with 2023/24, in line with the expected rise in general Council tax allowable without the need for a referendum. The increase recognises the continued risks and ongoing pressures within the Transport network.
- Non-Constituent and Observer fees from April 2024 are set at £30,000 per Non-Constituent Authority, the same level as in 2023/24.
- Inflationary uplifts including 3% for pay and non-pay elements and 15% uplift for energy.
- Continued subsidy of West Midlands Metro operation and support for the West Midlands Cycle Hire scheme.
- Core funding of £0.7m for the West Midlands Growth Company and £0.4m for WM5G.
- Capital financing and investment income based on latest views, including £6.1m for MRP charges.

### 3.0 Medium Term Financial Plan (MTFP) Update

- 3.1. There has been a series of engagement and consultation with Mayor and Portfolio Leaders and Constituent Authorities in the development of the MTFP throughout 2023. The MTFP was initially presented to the WMCA Board in July 2023, subsequently revised during the summer with further updates provided in July and November 2023.
- 3.2. Recognising the significant budget pressures and funding challenges being faced by Constituent Authorities which prevented significant increases in their contributions, the WMCA committed to deliver £2.4m of efficiency savings within its transport function and to utilise £5m of the windfall gains to reduce the deficit in 2024/25.
- 3.3. In addition, it was acknowledged that due to risks in the external economic climate, wider public sector funding challenges, risks associated with the transport network and importantly potential opportunity arising from single settlement, then a one year funding solution would be sought that would lead to a balanced budget for 2024/25. This would leave a financial pressure in the medium term, ranging from £66.7m in 2025/26 to £96.5m by 2028/29 to be considered early in 2024, recognising that the Network Stabilisation grant would partially support this.
- 3.4. One of the most significant financial pressures is the continued risk associated with the bus network. The bus delivery options work is underway to report to WMCA Board in summer 2024. Alongside other options for stabilising the network beyond the end of the current operator agreement in December 2024 are being considered bearing in mind that Network Stabilisation grant is only a temporary resource, covering a maximum of 5 years. This would avoid a cliff-edge situation once the grant has been fully utilised. Updates will be provided to the WMCA Board during the course of the year.
- 3.5. The table below summarises the financial position across the medium term.

**Table 1 – Medium Term Financial Plan**

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m	£m
Transport Levy	119.4	122.9	122.9	122.9	122.9	122.9
Revenue Grants & Other Income (Transport)	51.5	70.4	6.5	6.0	6.0	6.0
Revenue Grants & Other Income (Portfolios)	42.8	105.4	1.6	1.4	1.4	1.4
Adult Education Funding	141.4	142.0	141.4	141.4	141.4	141.4
Share of Business Rates	12.0	8.3	14.5	15.3	15.9	16.7
Constituent Membership	4.6	4.6	4.6	4.6	4.6	4.6
Non Constituent Members	0.4	0.4	0.4	0.4	0.4	0.4
Investment Programme	36.5	36.5	36.5	36.5	36.5	36.5
Investment Income	4.7	5.4	5.9	5.9	5.9	5.9
Use of Treasury Windfall Income	0.0	5.0	0.0	0.0	0.0	0.0
Use of Reserves	9.2	6.1	0.0	0.0	0.0	0.0
<b>Total Funding</b>	<b>422.5</b>	<b>506.9</b>	<b>334.3</b>	<b>334.4</b>	<b>335.0</b>	<b>335.8</b>
Transport for West Midlands	184.8	198.3	196.1	215.2	219.9	225.4
Strategy, Economy and Net Zero	5.0	50.3	6.5	6.7	6.9	7.1
Economic Delivery, Skills and Communities	186.6	206.2	149.5	149.6	149.9	150.3
Housing and Regeneration	1.8	1.9	1.4	1.4	1.4	1.4
Corporate Support Recharges to Portfolios	3.1	3.6	4.9	5.3	5.3	5.5
Investment Programme	40.4	39.6	41.6	41.6	41.6	41.6
Mayoral Office	0.9	0.9	0.0	0.0	0.0	0.0
Mayoral Election	0.0	6.1	1.0	1.0	1.0	1.0
<b>Total Expenditure</b>	<b>422.5</b>	<b>506.9</b>	<b>401.0</b>	<b>420.8</b>	<b>426.1</b>	<b>432.3</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>-66.7</b>	<b>-86.3</b>	<b>-91.1</b>	<b>-96.5</b>

**Note: 1) Table above assumes that the proposed 3% increase in the Transport Levy will be approved by Board in February 2024.**

2) No further assumptions have been made around deployment of the Network Stabilisation grant beyond 2024/25. These will be factored into the next MTFP update.

## 4.0 Draft 2024/25 Consolidated Revenue Budget

4.1. The Draft 2024/25 Consolidated Revenue Budget is presented in Table 2 below.

**Table 2 - Consolidated Draft Revenue Budget 2024/25**

	Total	Transport	Housing & Rengen	Strategy, Economy & Net Zero	Economic Delivery, Skills & Delivery	Portfolio Central Funding & Support	Investment Programme	Mayoral
	£m	£m	£m	£m	£m	£m	£m	£m
Transport Levy	122.9	122.9						
Revenue Grants & Other Income (Transport)	70.4	70.4						
Revenue Grants & Other Income (Portfolios)	105.4			45.6	58.8	0.1		0.9
Adult Education Funding	142.0				142.0			
Investment Programme	36.5						36.5	
Share of Business Rates	8.3	-				8.3		
Grants from Constituent Members	0.4					0.4		
Grants from Non Constituent Members	4.6					4.6		
Investment Income	5.4					2.3	3.1	
Use of Treasury Windfall Income	5.0	5.0						
Use of Reserves	6.1							6.1
<b>Total Income</b>	<b>506.9</b>	<b>198.3</b>	<b>-</b>	<b>45.6</b>	<b>200.8</b>	<b>15.7</b>	<b>39.6</b>	<b>7.0</b>
Transport Delivery	198.3	198.3						
Housing & Rengeneration	1.9		1.9					
Strategy, Economy and Net Zero	50.3			50.3				
Economic Delivery, Skills & Communities	206.2				206.2			
Portfolio Support	3.6					3.6		
Investment Programme	39.6						39.6	
Mayoral Office	0.9							0.9
Mayoral Election	6.1	-	-				-	6.1
<b>Total Expenditure</b>	<b>506.9</b>	<b>198.3</b>	<b>1.9</b>	<b>50.3</b>	<b>206.2</b>	<b>3.6</b>	<b>39.6</b>	<b>7.0</b>
<b>Net Expenditure</b>	<b>-</b>	<b>-</b>	<b>(1.9)</b>	<b>(4.7)</b>	<b>(5.5)</b>	<b>12.1</b>	<b>-</b>	<b>-</b>

### Income Sources

4.2. As previously referenced, the proposed Transport Levy is £122.9m, an increase of 3.0% from 2023/24, allocated to Constituent Members based on statutory populations (mid-year population estimates June 2022, updated November 2023). Constituent Member contributions are proposed to be held at £4.6m, £2.9m of which is split equally between members, the remaining £1.7m is split based on statutory populations. This apportionment method was confirmed in December 2023.

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

Allocations	2023/24 £m	2024/25 £m	Net Change
Birmingham	47.89	49.26	(1.37)
Coventry	14.76	15.44	(0.68)
Dudley	13.83	14.13	(0.30)
Sandwell	14.59	14.94	(0.35)
Solihull	9.38	9.61	(0.22)
Walsall	12.20	12.49	(0.29)
Wolverhampton	11.35	11.71	(0.36)
<b>Total</b>	<b>124.00</b>	<b>127.58</b>	<b>(3.58)</b>

- 4.3. Non-Constituent Member and Observer Fees are proposed to be retained at £30,000 per Authority from 1 April 2024, the same level as in 2023/24. These fees will remain subject to review over the medium term.

**Table 4 - Non-Constituent Member and Observer Fees**

<b>Non-Constituent Member Allocations</b>	<b>2024/25 £</b>
<b><i>Non-Constituent</i></b>	
Cannock Chase District Council	30,000
North Warwickshire Borough Council	30,000
Nuneaton and Bedworth Borough Council	30,000
Redditch Borough Council	30,000
Rugby Borough Council	30,000
Shropshire Council	30,000
Stratford-on-Avon District Council	30,000
Tamworth Borough Council	30,000
Telford and Wrekin Council	30,000
Warwickshire County Council	30,000
<b><i>Observers</i></b>	
Fire partner contribution	30,000
Police partner contribution	30,000
Warwick District Council	30,000
<b>Total</b>	<b>390,000</b>

- 4.4. The contributions from the Non-Constituent and Observer authorities reflect their ability to access regeneration funds as well as wider benefits delivered by WMCA:
- Enabling cross-organisation and cross partner working to build economic resilience in the West Midlands
  - Lead on digital platforms such as deployment of c.£100m to support the 5G mobile network within the region
  - Coordinated Housing and Land investments such as brownfield land development and town centre regeneration programmes
  - Ongoing work on the environmental strategy, notably WM2041.
- 4.5. Non-Constituent authorities are currently able to able to access the WMCA loan funds (CIF and RIF), Brownfield Land and Property Development Fund (BLPDF) (grants up to £50m) and devolved Housing grants from government. This allows for significant opportunity for increased housing, regenerated brownfield land, economic growth and jobs, alongside increased business rates and investment into awarded areas.
- 4.6. The Business Rates retention income assumption within the budget (and presented within Table 2), is consistent with the principles agreed to date. This will be allocated to the revenue budget, underpinning non-transport expenditure. As such, the WMCA Investment Programme affordable limit will remain capped at £871m. WMCA recognise the ongoing impact that the pandemic has had on Business Rates in each of its Constituent Authorities, and so as in previous years this income would not be allocated within the Investment Programme modelling until the WM Finance Director group confirmed the collectability of this income over the future 25 years. Recent announcements/developments have improved the certainty around Business Rates income. Under the Deeper Devolution Deal, WMCA has secured new and significant



longer-term funding agreements including 100% business rates retention for 10 years, which is an improvement of the annual roll forward of the pilot arrangements. The Autumn Statement confirmed the go-ahead for the West Midlands' Investment Zone within which 100% of business rates growth above an agreed baseline will be retained for 25 years. Retained rates would not be subject to reset at any national reset within this period.

## 5.0 Draft 2024/25 Transport for West Midlands Revenue Budget

- 5.1. A detailed analysis of the 2024/25 TfWM Budget and Activity is included within Appendix 1. A summary position for the period 2023/24 to 2028/29 is included below:

**Table 5 - Summary Transport Revenue Budget 2023/24 to 2028/29**

Transport 5 Year Position	2023/2024		2024/2025		2025/2026		2026/2027		2027/28		2028/29	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
English National Concessions Travel Scheme	47.2	35.5%	47.7	31.2%	50.0	26.4%	52.0	24.9%	53.1	24.8%	54.2	24.7%
Capital Financing	10.2	7.7%	11.3	7.4%	13.1	6.9%	13.1	6.3%	13.2	6.2%	13.7	6.3%
Transport Policies	65.8	49.4%	83.9	54.9%	115.4	60.9%	133.3	63.7%	136.1	63.6%	139.4	63.5%
Strategic Development	4.8	3.6%	4.8	3.2%	5.4	2.8%	5.1	2.4%	5.8	2.7%	6.0	2.8%
Business Support & Elected Members	5.1	3.9%	5.1	3.3%	5.7	3.0%	5.7	2.7%	5.8	2.7%	6.0	2.7%
<b>Total Expenditure</b>	<b>133.2</b>	<b>100.0%</b>	<b>152.8</b>	<b>100.0%</b>	<b>189.6</b>	<b>100.0%</b>	<b>209.3</b>	<b>100.0%</b>	<b>214.0</b>	<b>100.0%</b>	<b>219.4</b>	<b>100.0%</b>
Use of Reserves	9.2		0.0		0.0		0.0		0.0		0.0	
Use of Treasury Windfall Income	0.0		5.0		0.0		0.0		0.0		0.0	
Business Rates Growth	4.7		0.0		0.0		0.0		0.0		0.0	
Network Stability Grant**	0.0		24.9		0.0		0.0		0.0		0.0	
Proposed Levy*	119.4		122.9		122.9		122.9		122.9		122.9	
<b>Total Funding</b>	<b>133.2</b>		<b>152.8</b>		<b>122.9</b>		<b>122.9</b>		<b>122.9</b>		<b>122.9</b>	
<b>Gap</b>	<b>0.0</b>		<b>0.0</b>		<b>-66.6</b>		<b>-86.3</b>		<b>-91.1</b>		<b>-96.5</b>	

**Note: 1) Table above assumes that the proposed 3% increase in the Transport Levy will be approved by Board in February 2024.**

**2) No further assumptions have been made around deployment of the Network Stabilisation grant beyond 2024/25. These will be factored into the next MTFP update.**

- 5.2. Supported transport policies are budgeted to cost £42.5m in 2024/25 and therefore represent a major part of levy funded expenditure. No changes to WMCA Transport policies are proposed for 2024/25, which would mean that a public consultation would not be required. As previously noted, WMCA has committed to developing a longer-term, sustainable budget and plan with Constituent Members during 2024. This work will include a review of the delivery options for passenger transport, identifying other opportunities for transformation, as well as strategic deployment of any available funding to achieve the best outcome.
- 5.3. As in 2023, the bus network continues to come under sustained pressure from inflationary factors in particular. High fuel costs and labour costs and a slow recovery to pre pandemic patronage levels are making network operation challenging. It is acknowledged that commercial patronage has just recently achieved pre-pandemic levels, and so this represents a positive change and reflects measures such as fare simplification, more bus priority infrastructure to encourage modal shift and the £2 fare cap. It is imperative that the network remains stable for the day-to-day needs of the region's residents.
- 5.4. The network is currently operating at around pre-Covid-19 levels. The regional bus network has been sustained by funding from Government since March 2020 through ongoing grants provided directly to operators. The DfT allocated £104.6m of Bus Service Improvement Plan (BSIP) funding to the West Midlands (£88m in the first phase covering the period 2022/23 to 2024/25, with an additional £16.6m announced for 2024/25). The formal grant letter for the latest allocation is being awaited to ascertain terms and

conditions so has not yet been reflected within budget plans, but it is anticipated that this can be used to continue to transform bus services and maintain current levels of service on the bus network for this period in line with existing guidance. In 2023, the WMCA submitted a change request to re-purpose £40m of BSIP towards maintaining existing services. This was bolstered by an additional £19m from earmarked reserves that have been built up for this purpose and combined with BSOG+ to form a composite funding package for all operators until December 2024. To receive this public funding, operators have committed to maintaining the network to December 2024 and participate in other key commitments within the Enhanced Partnership.

- 5.5. Without a shift change, it is increasingly likely that operators will de-register services that are not commercially viable at the end of the agreement, for which intervention will be needed for provision of socially necessary routes. The 2024/25 budget provision is £24.4m, an increase of £10.2m compared to 2023/24. This takes account of the bus network risks post December 2024 when the current agreement with the providers ends, existing contractual increases and non- pay inflation assumptions.
- 5.6. The amount budgeted for the English National Concessionary Travel Scheme (ENCTS) is £47.7m. ENCTS patronage continues to struggle to grow following Covid-19, with patronage remaining at approximately 75% of pre-Covid levels. To support bus operators, the WMCA has paid on assumed pre-Covid patronage levels since March 2020. This meant that operators received more than would be the case if they paid on actual journeys, with a deduction being applied where operators are not running a full service. Under normal circumstances, the WMCA would use the DfT reimbursement model to calculate operators' Reimbursement Rates to apply to ENCTS journeys. The DfT is currently updating its model for future reimbursement to providers with the latest target date for implementation being April 2024. It has been suggested that this will on average increase reimbursements to providers by an average of 11% but with large impact in urban areas. Full details about the revised model were not available at the time of writing this report, therefore any additional financial impacts will be managed within 2024/25. In the meantime, the WMCA will provide any feedback as necessary on the new model to ensure it remains a sound tool to determine reimbursement in the future.
- 5.7. The Transport Budget will also be supported by the key assumption that all Metro Lifecycle costs for 2024/25 will be met within existing resources or will be allocated funding from WMCA's CRSTS settlement. This action supports the budget to the value of £0.4m.

## **6.0 Draft 2024/25 Portfolio Revenue Budget**

- 6.1. Detailed analysis of the WMCA Portfolio budget is included within Appendix 2 and 3. A summary position for the period 2023/24 to 2028/29 is included below:

**Table 6 - Summary WMCA Portfolio Budget 2023/24 to 2028/29**

	2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m	£m	£m
Constituent Members	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Non-Constituent Members	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Investment Income	0.8	2.3	0.8	0.8	0.8	0.8	0.8
Adult Education Budget	141.4	142.0	141.4	141.4	141.4	141.4	141.4
Business Rates Growth	7.3	8.3	9.8	13.5	14.3	14.9	15.7
Revenue Grants & Other Income	41.9	104.6	56.1	1.6	1.4	1.4	1.4
Use of Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Funding</b>	<b>196.4</b>	<b>262.1</b>	<b>213.2</b>	<b>162.3</b>	<b>163.0</b>	<b>163.5</b>	<b>164.4</b>
Housing & Rengeneration	1.8	1.9	1.3	1.4	1.4	1.4	1.4
Strategy, Economy and Net Zero	5.0	50.3	6.4	6.5	6.7	6.9	7.1
Economic Delivery, Skills & Communities	186.6	206.2	201.7	149.5	149.6	149.9	150.3
Portfolio Support	3.1	3.6	3.7	4.9	5.3	5.3	5.5
<b>Total Expenditure</b>	<b>196.4</b>	<b>262.1</b>	<b>213.2</b>	<b>162.3</b>	<b>163.0</b>	<b>163.5</b>	<b>164.4</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- 6.2. As can be seen from the table above, around 94% of the 2024/25 expenditure for the Portfolios is funded from grants, with the Adult Education Grants being most significant. Additionally, funding for the WMCA Portfolio Budget is derived from Constituent and Non-Constituent Member Fees and Observer Fees and returns on cash investments.
- 6.3. Funding for Housing & Regeneration will require some local funding for 2024/25 since all available revenue grants to deliver the programme have been exhausted.
- 6.4. From 2019/20, WMCA has had responsibility for the region's Adult Education Budget and its delivery. The total funding for 2024/25 Adult Education will not be announced until early 2024, however it is expected to be in line with 2023/24. An update will be provided in due course to WMCA Board.
- 6.5. As previously referenced, the 2024/25 WMCA Portfolio Budget will also be supported by £8.3m of Business Rates retention income.
- 6.6. Work will continue throughout 2024/25 to identify and realise efficiencies where possible. Any efficiencies identified will be reserved by WMCA's Finance Director to guard against any pressures which emerge during 2024/25 and build up further resilience through reserves.

## 7.0 Mayor's Budget and Precept

- 7.1. The MTFP currently includes no Mayoral Precept commitment. The decision not to raise a Precept in 2024/25 has been discussed with the Mayor and Portfolio Leads as part of the budget setting process. It is proposed that the 2024/25 Mayor's Office budget is funded from the extension to the Mayoral Capacity Funding.
- 7.2. The Mayor's Office budget for 2024/25 is £0.9m and includes the staffing costs of the Mayor, the senior team, support staff, policy advisors as well as resources to deliver communications, customer response and events. The budget has marginally increased from 2023/24 levels to take account of inflationary pressures.

- 7.3. In addition to the above, £6.1m has been budgeted to fund the cost of the upcoming Mayoral election in May 2024. Mayoral elections are held every 4 years with the costs associated with administering the election reflected in an appropriate charge to the Mayor's budget. The funding for this element of the Mayoral budget will come from use of reserves available at 31 March 2024..
- 7.4. The Mayor must notify the WMCA of his draft 2024/25 budget before 1 February 2024 and this report represents that notification. The WMCA must review the Mayor's budget and may make a report on it to the Mayor setting out whether they would approve it in its current form and may include recommendations. This must take place before 8 February 2024 otherwise the Mayor's budget will be deemed approved.
- 7.5. If the WMCA makes a report, then the Mayor must have at least 5 working days to respond and can either make the requested changes or not. The WMCA must then decide whether to accept the original (or revised) budget or veto it and approve the budget with their requested amendments. Decisions of the WMCA are by a 2/3rds majority for setting of the Mayoral budget.
- 7.6. The 2011 Localism Act gives local communities the power to approve or veto excessive rises in Council Tax. Central government guidance on excessive increases in Council Tax will not apply to WMCA in 2024/25, given that no precept is proposed.

## 8.0 West Midlands Combined Authority Medium Term Capital Programme

- 8.1. Table 7 below summarises the West Midlands Combined Authority indicative capital programme, showing current planned capital investment between 2023/24 and 2027/28. The 2023/23 values are based on latest forecasts. The actual capital budget for 2024/25 will be influenced by financial performance in 2023/24. As such, the final 2024/25 capital budget will be presented for approval to WMCA Board at the earliest opportunity in 2024/25 following confirmation of the 2023/24 outturn position. Further details about the programme are set out in Appendix 5 and 6.

**Table 7: Summary West Midlands Combined Authority Capital Programme**

WMCA CAPITAL PROGRAMME (£M)		2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL
Expenditure	TRANSPORT	296.1	357.2	170.8	101.7	0.4	926.2
	HOUSING AND REGENERATION	35.8	94.8	72.1	18.1	18.2	239.1
	STRATEGY, INNOVATION AND NET ZERO	6.8	13.8	0.1	-	-	20.7
	<b>TOTAL WMCA DELIVERED SCHEMES</b>	<b>338.7</b>	<b>465.9</b>	<b>243.0</b>	<b>119.8</b>	<b>18.6</b>	<b>1,185.9</b>
	TRANSPORT (EXTERNAL)	94.9	237.5	314.0	282.2	75.9	1,004.4
	ESC (EXTERNAL)	12.4	16.4	-	-	-	28.8
	<b>TOTAL EXTERNAL SCHEMES</b>	<b>107.2</b>	<b>253.9</b>	<b>314.0</b>	<b>282.2</b>	<b>75.9</b>	<b>1,033.2</b>
<b>TOTAL CAPITAL PROGRAMME EXPENDITURE</b>		<b>445.9</b>	<b>719.8</b>	<b>557.0</b>	<b>402.0</b>	<b>94.4</b>	<b>2,219.1</b>
Funding	INVESTMENT PROGRAMME DEBT	177.0	132.9	31.1	21.1	12.9	375.0
	FAREBOX DEBT	7.0	90.9	9.1	24.1	0.4	131.4
	UK SHARED PROSPERITY FUND	7.9	13.3	-	-	-	21.2
	CRSTS	119.4	259.0	320.0	209.7	2.5	910.5
	TCF	24.1	5.6	-	-	-	29.7
	OTHER DFT GRANTS	62.4	74.5	25.5	-	-	162.4
	OTHER CENTRAL GOVT GRANTS	16.0	114.5	73.3	18.1	18.2	240.2
	THIRD PARTY CONTRIBUTIONS	2.1	0.1	-	-	-	2.2
	LOCAL FUNDING	28.6	9.2	8.5	6.2	-	52.6
	UNFUNDED	0.5	12.1	86.3	122.8	60.5	282.2
OTHER	0.9	7.7	3.2	-	-	11.8	
<b>TOTAL CAPITAL PROGRAMME FUNDING</b>		<b>445.9</b>	<b>719.8</b>	<b>557.0</b>	<b>402.0</b>	<b>94.4</b>	<b>2,219.1</b>

- 8.2. Around 61% of the capital programme is funded by project specific grants, including the City Region Sustainable Transport Settlement (CRSTS) which accounts for 41% of that value. In addition, the programme is supported by borrowing, where the revenues to support the costs of the debt and interest are underpinned by Investment Programme income or any commercial revenues expected to flow from those investments.
- 8.3. Approximately 42% of the Combined Authority's planned capital investment to 2027/28 consists of expenditure directly incurred by Transport for West Midlands in pursuance of the Investment Programme, City Region Sustainable Transport Settlement and Transforming Cities Programmes. A further 45% of the planned programme is for delivery of transport projects/programmes with work undertaken by local authorities. Another 11% is concerned with delivering the Housing and Regeneration objectives using funds secured by WMCA from Central Government. One percent is planned in delivering Net Zero ambitions, with a further 1% being used by local authorities to deliver initiatives that contribute towards the economic resilience and regeneration of the region, promoting the resilience, health and wellbeing of communities in line with Government's Levelling Up agenda.
- 8.4. The Transport programme remains the most extensive, with the goal to deliver a world class transport system and improved infrastructure. The programme contains significant investment in expanding the Metro network, with main projects relating to Wednesbury to Brierley Hill and Birmingham Eastside. In addition, investment in developing and delivering new local rail stations in Birmingham and the Black Country is planned. The programme also continues the ambition for the delivery of high-quality cycling and walking improvements along key corridors and routes, thus moving the region closer to achieving the stated aim of wanting cycling to make up 5% of all trips in the region by 2023. Work will also continue on Phase 2 of the Sprint will complete the corridor to Walsall and Solihull, benefitting the customer in the form of more reliable, regular and predictable journey time. The Transport programme also reflects the final phase of the Transforming Cities Programme.
- 8.5. The Housing Capital Programme includes the land remediation programmes launched by the WMCA in 2016 and delivery against the various Housing capital grants awarded to the Combined Authority.
- 8.6. In addition to the traditional capital investment detailed above, WMCA will continue to operate the commercial and residential investment funds where loans to developers are made with the objective of unlocking stalled development sites which traditional lenders are unwilling to finance. The loans are held on the WMCA balance sheet under standard accounting regulations and as at December 2023, the cumulative value of loan commitments approved by WMCA totalled £258m (including £102m of loans which have since been repaid). The value of loans drawn and earning interest as at 30 November 2023 was £74m.
- 8.7. The full extent of the Investment Programme and 2016 Devolution Deal schemes remain as provisional commitments within the overall programme, even though the funding to underpin elements of the investment currently remains unsecure. Work with the Mayor, Constituent Member Leaders and the WMCA Finance Directors will continue into 2024/25 to enable the gaps to be closed and no expenditure will be committed without first having a clearly available funding source.

## **9.0 Investment Programme**

- 9.1. The WMCA Investment Programme was a product of the first devolution deal in 2016 and was designed to devolve more accountability, funding and powers out to the regions. From an expenditure perspective, the Investment Programme is an £8bn (gross) package of measures for the region containing projects centred around key economic prosperity drivers such as HS2, city centre regeneration and the remediation of brownfield sites.
- 9.2. From a programme perspective, £2bn of the overall £8bn was to be funded by WMCA generating locally sourced income to support borrowing which in turn could be used to accelerate the development.
- 9.3. Government agreed to provide a gainshare grant of £36.5m per year for 30 years, subject to a five yearly gateway review. WMCA are in contact with the Department for Levelling Up, Housing and Communities in respect of an interim gateway review which is expected to complete in February 2024.
- 9.4. The current affordable Investment programme approved by the WMCA Board is investment of £871m across the region.

## **10.0 Budget Calculation**

- 10.1. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer, in this case, the Finance Director, as Section 151 Officer, to report to the West Midlands Combined Authority when it is setting the budget and the precept. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 10.2. The budget currently provides for the financial implications of the West Midlands Combined Authority's policies to the extent that these are known or can reasonably be assessed. However, there are risks which are beyond the West Midlands Combined Authority's control and for which it is not possible to be precise:
  - The West Midlands Combined Authority's demand-led services.
  - Economic and community cost of living impact.
  - Impact of the Russia/ Ukraine war and Middle East conflict.
  - Policy changes or different priorities following elections in 2024.
  - Inflation and interest rate volatility leading to different outcomes than that assumed for budget planning.
  - West Midlands Pension Fund Investment Performance.
  - Regional local authorities' financial difficulties and the impact on the delivery of capital programmes.
  - Unforeseen emergencies.
- 10.3. The existing General Reserve balance is £4.4m. This balance represents 3.4% of the aggregate proposed 2024/25 Constituent Authority contributions but only around 1% of expenditure.
- 10.4. Whilst the appropriate level of general fund reserves is a matter for judgement by the Finance Director (Section 151 Officer) it is generally accepted for general fund reserves to be between 3% and 5% of expenditure. The proposed balance is below this

recommended level, however WMCA does carry earmarked reserves in order to ensure that existing commitments can be delivered. It is also noted that it would not be appropriate for WMCA to sit on extensive general reserves whilst Constituent Members face funding challenges of their own.

- 10.5. WMCA is obliged to ensure that all resources are applied in a way which secure the best value for the region, and to continually review its performance and financial position.
- 10.6. These obligations are addressed through an annual review of the MTFP, culminating in the draft and final budget reports presented to WMCA Board in January and February respectively. WMCA Board also receive the latest available financial position at each Board meeting throughout the year, with additional papers presented to seek approval for significant investments or revisions to budget.
- 10.7. Whilst no budget is risk-free, WMCA does still have opportunities to improve its financial position:
  - reducing all Capital Financing costs through accessing best value financing available, including the Public Works Loans Board and UK Infrastructure Bank; and
  - optimising returns on all cash investments, continually reviewing the market for additional funds to invest in which meet WMCA's Treasury Management Strategy guidelines.
- 10.8. The Finance Director states that to the best of her knowledge and belief the 2024/25 draft budget calculations are robust and have full regard to:
  - The expected financial position as at the end of 2023/24
  - The Transport Revenue Budget as set out in Appendix 1
  - The Portfolio Revenue Budget as set out in Appendix 2
  - The Capital Programme as set out in Appendix 5 and 6
  - The strength of WMCA's financial control procedures including audit considerations
  - The extent of WMCA's General and Earmarked reserves.
  - The policies of Her Majesty's Government as they impact upon WMCA.

## **11.0 Scrutiny of the budget proposals**

A Mayoral Budget Q&A session was held in public on 14 December 2023. Members of WMCA's Overview and Scrutiny committee questioned the Mayor and the Portfolio Lead for Finance, Councillor Bob Sleight, on the development of the 2024/25 budget, financial challenges, risks and the ongoing sustainability of WMCA. Further questions were asked on Transport policy, business support programmes and concessionary fares.

- 11.1. The matters identified that arose out of the Mayoral Q&A on 14 December 2023 are set out in Appendix 7 along with the recommendation that these matters be considered further by the WMCA Board.

## **12.0 Legal Implications**

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

## **13.0 Equalities Implications**

- 13.1. There is no direct equality impact in relation to the 2024/25 budget proposals as funding has been maintained and service provision is not affected. However, there are increased risks and financial uncertainties due to general economic conditions and in particular inflation, supply chain issues and energy costs.
- 13.2. A number of mitigating measures have been considered as part of budget planning which should help mitigate any negative impact, but the scale of change may result in the need for additional considerations in relation to assisted travel policies. The protected characteristics most likely to be affected are those on lower incomes with fewer economic resources who are more reliant on public transport. This would include young people, women, single parents, people from lower socio-economic groups, ethnic minorities and disabled people.
- 13.3. Future policy options would need to undergo in-depth equality impact assessments and engagement/consultation with affected groups to ensure negative impact is mitigated as far as practically possible.

## **14.0 Inclusive Growth Implications**

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

## **15.0 Geographical Area of Report's Implications**

- 15.1. The Budget proposals encompass the West Midlands region.



## **16.0 Appendices**

Appendix 1 – Transport Delivery Revenue Budget

Appendix 2 – WMCA Delivery Budget (Non-Transport)

Appendix 3 – Mayoral Budget

Appendix 4 – Activity for 2024/25

Appendix 5 – WMCA Delivered Capital Programme

Appendix 6 – Externally Delivered Capital Programme

Appendix 7 – Mayoral Q&A - Budget 2024/25

## Proposed Transport Revenue Budget

	2023/24 Budget £000	2024/25 Budget £000	2025/26 MTFP £000	2026/27 MTFP £000	2027/28 MTFP £000	2028/29 MTFP £000
Transport Levy*	119,355	122,936	122,936	122,936	122,936	122,936
Network Stability Grant**		24,854				
Business Rates	4,674					
Use of Reserves	9,201					
Use of Treasury Windfall Income		5,000				
<b>TOTAL FUNDING</b>	<b>133,229</b>	<b>152,790</b>	<b>122,936</b>	<b>122,936</b>	<b>122,936</b>	<b>122,936</b>
National Bus Concession	(47,248)	(47,695)	(49,983)	(52,048)	(53,102)	(54,187)
Metro / Rail	(4,574)	(4,581)	(4,589)	(4,594)	(4,704)	(4,828)
Child Concession	(7,166)	(6,773)	(7,630)	(7,921)	(8,260)	(8,357)
<b>Concessions</b>	<b>(58,988)</b>	<b>(59,049)</b>	<b>(62,202)</b>	<b>(64,563)</b>	<b>(66,067)</b>	<b>(67,373)</b>
Bus Stations / Infrastructure	(5,934)	(7,114)	(9,338)	(9,684)	(10,091)	(10,598)
Subsidised Network	(14,255)	(24,433)	(17,816)	(18,930)	(20,038)	(21,129)
Bus Network Support			(30,000)	(30,000)	(30,000)	(30,000)
Accessible Transport	(6,633)	(6,718)	(6,745)	(6,764)	(7,000)	(7,243)
<b>Bus Services</b>	<b>(26,823)</b>	<b>(38,265)</b>	<b>(63,899)</b>	<b>(65,378)</b>	<b>(67,128)</b>	<b>(68,970)</b>
Metro Services	(10,899)	(16,051)	(15,353)	(31,136)	(31,510)	(31,860)
Rail Services	(4,852)	(5,010)	(5,265)	(5,397)	(5,510)	(5,671)
<b>Rail and Metro Services</b>	<b>(15,751)</b>	<b>(21,061)</b>	<b>(20,618)</b>	<b>(36,534)</b>	<b>(37,020)</b>	<b>(37,531)</b>
Safety and Security	(2,778)	(2,905)	(2,990)	(3,048)	(3,115)	(3,192)
Passenger Information	(6,537)	(7,175)	(7,522)	(7,778)	(8,097)	(8,523)
Sustainable Travel	(1,956)	(2,147)	(3,785)	(3,523)	(3,147)	(3,169)
<b>Integration</b>	<b>(11,271)</b>	<b>(12,227)</b>	<b>(14,296)</b>	<b>(14,349)</b>	<b>(14,358)</b>	<b>(14,885)</b>
<b>Network Resilience</b>	<b>(3,197)</b>	<b>(3,386)</b>	<b>(4,392)</b>	<b>(4,510)</b>	<b>(4,666)</b>	<b>(4,865)</b>
<b>Business and Democratic Support</b>	<b>(4,999)</b>	<b>(4,944)</b>	<b>(5,574)</b>	<b>(5,577)</b>	<b>(5,622)</b>	<b>(5,843)</b>
<b>Strategic Development</b>	<b>(4,840)</b>	<b>(4,813)</b>	<b>(5,354)</b>	<b>(5,077)</b>	<b>(5,750)</b>	<b>(6,048)</b>
<b>Transport Governance</b>	<b>(141)</b>	<b>(147)</b>	<b>(154)</b>	<b>(160)</b>	<b>(167)</b>	<b>(175)</b>
<b>Capital Finance Charges</b>	<b>(10,219)</b>	<b>(11,297)</b>	<b>(13,097)</b>	<b>(13,125)</b>	<b>(13,210)</b>	<b>(13,725)</b>
<b>Efficiency Target</b>	<b>3,000</b>	<b>2,400</b>				
<b>TOTAL EXPENDITURE</b>	<b>(133,229)</b>	<b>(152,790)</b>	<b>(189,585)</b>	<b>(209,275)</b>	<b>(213,988)</b>	<b>(219,415)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>(66,650)</b>	<b>(86,340)</b>	<b>(91,052)</b>	<b>(96,479)</b>

Note that specific revenue grants of £45.5m are netted against expenditure lines in the table above.

\* the table above assumes that the proposed 3% increase in the Transport Levy will be approved by Board in February 2024.

\*\* no further assumptions have been made around deployment of the Network Stabilisation grant beyond 2024/25. These will be factored into the next MTFP update.

## ENCTS (National Bus Concession) £47.7m

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

### **Child Concessions £6.8m**

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

### **Rail and Metro Concessions £4.6m**

- Extensions of national bus scheme to rail and metro
- After 9.30pm to midnight weekdays, all day weekends and bank holidays
- These are around 125,657 active users making use of the Rail and Metro concession (75,945 for rail and 49,712 for Tram).
- Users of the concession are making 1,376,168 trips per annum (807,657 for Rail and 568,511 for Metro).

### **Subsidised services £24.4m**

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

### **Accessible Transport £6.7m**

- Ring & Ring is operated by National Express Accessible Transport currently but in 2024 this contract will end and the commissioning / tendering out of the service may change with a new operator in place. The procurement exercise for this has already started.
- Currently there are 4,447 active users taking circa 185,000 trips per annum. The number of trips is rising each month at a steady pace.

### **Passenger information £7.2m**

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

### **Bus Stations/Infrastructure £7.1m**

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

### **Rail Services £5.0m**

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

### **Metro Services £16.1m**

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

### **Safety and Security £2.9m**

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

**Business & Democratic Support £4.9m**

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

**Strategic Development £4.8m**

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

**Capital Finance Charges £11.3m**

- Loan interest on existing loan book and anticipated future borrowing
- Resumption of MRP charges following end of MRP holiday period
- Past Pension costs and deficit funding arrangements

**Network Resilience £3.4m**

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

**Sustainable Travel £2.1m**

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

**Transport Governance £0.1m**

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

**Proposed West Midlands Combined Authority Portfolio Budgets**

**Annex A** – Employment and Skills

**Annex B** – Housing and Regeneration

**Annex C** – Economy & Innovation

**Annex D** – Culture and Digital

**Annex E** – Health & Communities

**Annex F** – Levelling Up

**Annex G** – Environment, Energy and HS2

**Annex H** – Inclusive Communities

**Annex I** – Funding for Growth

**Annex J** – Energy Capital

**Annex K** – Central Funding & Recharges

**Annex L** – Definitions of Key Budget Headings

**Employment and Skills**

<b>Employment and Skills</b>	<b>2023/24 Budget £</b>	<b>2024/25 Budget £</b>	<b>Movement £</b>
Grant Income	178,818,744	191,958,029	13,139,285
Use of reserves	532,596	-	(532,596)
<b>Total Income</b>	<b>179,351,340</b>	<b>191,958,029</b>	<b>12,606,689</b>
Employees	4,395,651	5,299,340	(903,689)
Transport-related Expenditure	12,186	10,475	1,711
Supplies & Services	17,931,993	45,300,386	(27,368,393)
Third Party Payments	158,877,067	143,628,515	15,248,552
Support Services	408,580	582,423	(173,843)
<b>Total Expenditure</b>	<b>181,625,476</b>	<b>194,821,140</b>	<b>(13,195,664)</b>
<b>Net Expenditure</b>	<b>2,274,136</b>	<b>2,863,111</b>	<b>(588,975)</b>

**Housing and Regeneration Portfolio**

<b>Housing &amp; Regeneration</b>	<b>2023/24 Budget £</b>	<b>2024/25 Budget £</b>	<b>Movement £</b>
Grant Income	1,837,194	-	(1,837,194)
Use of reserves	-	-	
<b>Total Income</b>	<b>1,837,194</b>	<b>-</b>	<b>(1,837,194)</b>
Employees	946,978	1,011,845	(64,867)
Premises-related Expenditure	211,370	183,273	28,097
Supplies & Services	678,846	677,471	1,374
<b>Total Expenditure</b>	<b>1,837,194</b>	<b>1,872,589</b>	<b>(35,395)</b>
<b>Net Expenditure</b>	<b>0</b>	<b>1,872,590</b>	<b>(1,872,590)</b>

**Economy & Innovation Portfolio**

<b>Economy and Innovation</b>	<b>2023/24 Budget £</b>	<b>2024/25 Budget £</b>	<b>Movement £</b>
Grant Income	1,323,374	4,426,007	3,102,633
<b>Total Income</b>	<b>1,323,374</b>	<b>4,426,007</b>	<b>3,102,633</b>
Employees	1,199,977	1,337,309	(137,332)
Supplies & Services	2,153,714	4,131,595	(1,977,881)
Support Services	50,000	85,387	(35,387)
<b>Total Expenditure</b>	<b>3,403,691</b>	<b>5,554,292</b>	<b>(2,150,601)</b>
<b>Net Expenditure</b>	<b>2,080,317</b>	<b>1,128,284</b>	<b>952,033</b>

**Culture and Digital Portfolio**

<b>Culture and Digital</b>	<b>2023/24 Budget £</b>	<b>2024/25 Budget £</b>	<b>Movement £</b>
Grant Income	679,282	521,881	(157,401)
<b>Total Income</b>	<b>679,282</b>	<b>521,881</b>	<b>(157,401)</b>
Employees	186,223	299,756	(113,532)
Supplies & Services	881,278	702,257	179,022
Support Services		3,625	(3,625)
<b>Total Expenditure</b>	<b>1,067,502</b>	<b>1,005,637</b>	<b>61,864</b>
<b>Net Expenditure</b>	<b>388,219</b>	<b>483,756</b>	<b>(95,537)</b>

## Annex E

**Health & Communities**

<b>Health and Communities</b>	<b>2023/24 Budget £</b>	<b>2024/25 Budget £</b>	<b>Movement £</b>
Grant Income	390,336	4,373,233	3,982,897
<b>Total Income</b>	<b>390,336</b>	<b>4,373,233</b>	<b>3,982,897</b>
Employees	1,095,693	822,549	273,144
Supplies & Services	261,723	4,197,310	(3,935,587)
Support Services	-	80,000	(80,000)
<b>Total Expenditure</b>	<b>1,357,416</b>	<b>5,099,859</b>	<b>(3,742,443)</b>
<b>Net Expenditure</b>	<b>967,080</b>	<b>726,626</b>	<b>240,454</b>

## Annex F

**Levelling Up**

<b>Levelling Up</b>	<b>2023/24 Budget £</b>	<b>2024/25 Budget £</b>	<b>Movement £</b>
Grant Income	59,788	42,605,121	42,545,333
<b>Total Income</b>	<b>59,788</b>	<b>42,605,121</b>	<b>42,545,333</b>
Employees	1,066,689	1,771,572	(704,883)
Supplies & Services	541,780	41,992,642	(41,450,862)
Support Services	-	701,530	(701,530)
<b>Total Expenditure</b>	<b>1,608,469</b>	<b>44,465,744</b>	<b>(42,857,275)</b>
<b>Net Expenditure</b>	<b>1,548,681</b>	<b>1,860,623</b>	<b>(311,942)</b>



## Annex G

### Environment, Energy and HS2

Environment and Energy, HS2	2023/24 Budget £	2024/25 Budget £	Movement £
Grant Income	-	1,666,625	1,666,625
Investment Programme Funding	688,763	33,950	(654,813)
Other Income		40,000	40,000
<b>Total Income</b>	<b>688,763</b>	<b>1,740,575</b>	<b>1,051,812</b>
Employees	431,616	685,963	(254,347)
Supplies & Services	1,121,537	1,971,314	(849,777)
Support Services		28,163	(28,163)
<b>Total Expenditure</b>	<b>1,553,153</b>	<b>2,685,440</b>	<b>(1,132,287)</b>
<b>Net Expenditure</b>	<b>864,390</b>	<b>944,865</b>	<b>(80,475)</b>

## Annex H

### Inclusive Communities Portfolio

Inclusive Communities	2023/24 Budget £	2024/25 Budget £	Movement £
Grant Income	469,828	420,630	(49,198)
Use of reserves	68,000	17,000	(51,000)
<b>Total Income</b>	<b>537,828</b>	<b>437,630</b>	<b>(100,198)</b>
Employees	748,960	774,344	(25,385)
Transport-related Expenditure	-	624	(624)
Supplies & Services	727,286	634,872	92,414
Support Services	10,000	8,413	1,587
<b>Total Expenditure</b>	<b>1,486,246</b>	<b>1,418,253</b>	<b>67,993</b>
<b>Net Expenditure</b>	<b>948,418</b>	<b>980,623</b>	<b>(32,205)</b>

## Annex I

**Funding for Growth**

<b>Funding for Growth</b>	<b>2023/24 Budget £</b>	<b>2024/25 Budget £</b>	<b>Movement £</b>
Use of reserves	-	700,000	700,000
<b>Total Income</b>	<b>-</b>	<b>700,000</b>	<b>700,000</b>
Supplies & Services	700,000	1,400,000	(700,000)
<b>Total Expenditure</b>	<b>700,000</b>	<b>1,400,000</b>	<b>(700,000)</b>
<b>Net Expenditure</b>	<b>700,000</b>	<b>700,000</b>	<b>0</b>

## Annex J

**Energy Capital**

<b>Energy Capital</b>	<b>2023/24 Budget £</b>	<b>2024/25 Budget £</b>	<b>Movement £</b>
Grant Income	-	410,829	410,829
Investment Programme Funding	284,044	50,000	(234,044)
<b>Total Income</b>	<b>284,044</b>	<b>460,829</b>	<b>176,785</b>
Employees	465,481	808,166	(342,685)
Supplies & Services	264,998	150,000	114,998
<b>Total Expenditure</b>	<b>730,479</b>	<b>958,166</b>	<b>(227,687)</b>
<b>Net Expenditure</b>	<b>446,436</b>	<b>497,338</b>	<b>(50,902)</b>

**Central Funding & Recharges**

<b>Central Funding &amp; Recharges</b>	<b>2023/24 Budget £</b>	<b>2024/25 Budget £</b>	<b>Movement £</b>
Business Rates Growth Income	7,326,431	8,258,851	932,420
Contribution - 7 Met Council's	4,643,814	4,643,814	-
Contribution - Non Constituent Members	420,000	390,000	(30,000)
Notional Interest Receivable	793,500	2,278,818	1,485,318
Grant Income	86,648	124,914	38,266
Other Income	500,000	-	(500,000)
<b>Total Income</b>	<b>13,770,393</b>	<b>15,696,397</b>	<b>1,926,004</b>
Employees	105,000	160,127	(55,127)
Support Services	3,447,718	3,478,455	(30,737)
<b>Total Expenditure</b>	<b>3,552,718</b>	<b>3,638,582</b>	<b>(85,865)</b>
<b>Net Expenditure</b>	<b>(10,217,675)</b>	<b>(12,057,815)</b>	<b>1,840,140</b>

## DEFINITIONS OF KEY BUDGET HEADINGS

<b>Employees</b>	Includes all employee related costs, both direct and indirect. Direct employee costs are Salaries, Employers National Insurance contributions, Employers pension contributions, agency staff and employee expenses. Indirect costs include recruitment costs, training, staff professional fees and health and safety.
<b>Premises</b>	Includes costs directly related to the running of premises and covers repairs, maintenance, energy costs, rents, rates, water charges, fixtures, fittings, cleaning, facilities management, CCTV and premises insurance.
<b>Transport</b>	Includes all costs associated with the provision, hire or use of transport, including car allowances, travel expenses and public transport expenses.
<b>Supplies and Services</b>	Includes all direct supplies and service expenses to the authority. It covers equipment, furniture, uniforms, materials, printing, stationery and general office expenses, external advice costs, postage, IT licences and applications and subscriptions.
<b>Third Party Payments</b>	A third party payment is a payment to an external provider in return for the provision of a service.
<b>Support Services</b>	These are charges for all support services. These costs are apportioned or allocated to the services they support and include the costs of finance, IT, HR, office accommodation, legal services, internal audit, procurement, organisational development etc.
<b>Government Grants</b>	Specific grants from Government to fund programmes and projects. Includes grants with and without conditions.
<b>Investment Income</b>	Income arising from Treasury Management activities.
<b>Use Of Reserves</b>	Drawdown from reserves, mainly as a result of carried forward grants from prior years.

## APPENDIX 3 – MAYORAL OFFICE AND ELECTION 2024/25

Mayoral Office	2023/24 Budget £	2024/25 Budget £	Movement £
Grant Income	945,271	916,458	(28,812)
Other Income	-	75,000	75,000
<b>Total Income</b>	<b>945,271</b>	<b>991,458</b>	<b>46,188</b>
Employees	838,368	859,873	(21,504)
Supplies & Services	97,170	121,854	(24,683)
Support Services	9,732	9,732	0
<b>Total Expenditure</b>	<b>945,271</b>	<b>991,458</b>	<b>(46,187)</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
Mayoral Election	2023/24 Budget £	2024/25 Budget £	Movement £
Use of reserves	-	6,100,000	6,100,000
<b>Total Income</b>	<b>-</b>	<b>6,100,000</b>	<b>6,100,000</b>
Local Authority Mayoral Election Costs	-	6,100,000	(6,100,000)
<b>Total Expenditure</b>	<b>-</b>	<b>6,100,000</b>	<b>(6,100,000)</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

## APPENDIX 4 – PROPOSED ACTIVITY FOR 2024/25

The following High Level Deliverables are proposed in order to support delivery of the WMCA Aims and Objectives for 2024/25. Work will continue to finalise these ahead of inclusion in the Annual Business Plan.

Key Activity	Aim & Objective
<b>Transport for West Midlands</b>	
Regional Transport Planning: Maintain & publish a statutory West Midlands Local Transport Plan and embed transport policy and investment strategy (inc CRSTS / Single Pot) in the plans and programmes of the wider WMCA & partners	3.1
Transport User Research: Develop and maintain a deep understanding of the needs, attitudes and perceptions of people who use the West Midlands transport system	3.1
Transport Data: Continue to develop and maintain a robust common data environment for the West Midlands transport system	3.1
Network Insight: Analyse the transport system to provide deep insight, recommend actions and produce robust evidenced based business cases for schemes and funding programmes	3.1
Smart Payment & Journey Planning: Develop and operate the Swift eco-system for easy to use and affordable ways to plan and pay for travel across the whole transport system	3.1
Branding: Taking forward a strong, unified brand for the West Midlands transport network will make us: Easy to see, and easier to choose	3.1
Manage Transport Network: Managing the West Midlands Transport Network through improved coordination with the Regional Transport Co-ordination Centre	3.1
Security and Policing: Improving perceptions of passenger safety to increase trust and confidence in using public transport services, enabled where necessary by new technologies. Keep the transport system safe and secure	3.1
Key Route Network: Develop, enhance, manage the performance of the KRN to a high standard and make sure it is safe, reliable and well maintained for all road users	3.1
Behaviour Change Hub: Enabling sustainable travel across the West Midlands, considering both their environmental impact, and the increasing effects of climate change	3.1
Traffic Signal Technology: Collaborating with stakeholders and local authority partners to maximise the performance of the West Midlands traffic signals network	3.1
RTCC, Events and Emergencies: Improving the performance of the Transport Network and co-ordinating the delivery of regional events, LRF activities and the TfWM Emergency Plan.	3.1
Progress Midlands Rail Hub	3.1
Introduce train services on new infrastructure	3.1

Key Activity	Aim & Objective
<b>Transport for West Midlands (cont)</b>	
Meet future demand and improve the Customer experience	3.1
Fund and effectively manage essential supported services that provide a social benefit including concessions, ring and ride, and tendered bus services	3.1
Customer Experience. Deliver high quality customer facing services across a range of customer touchpoints throughout the organisation through Safety and Security, brand, transport network, web and media channels including front line services at bus stations, interchanges, cycle hire, e-scooters.	3.1
Ensure strategic and operational Health and Safety aims and key deliverables are communicated and embedded throughout the WMCA	3.1
Creating and maintaining accurate and reliable public transport travel information including the requirements set out in the National Bus Strategy and Vision for Bus.	3.1
Metro interface - Develop with MML a 5 Year Business Plan and ensure the Asset Strategy and lifecycle renewal works are delivered for Metro.	3.1
Metro - Ensure MML have the resource to deliver the WBHE Extension	3.1
Deliver the transport capital programme under CRSTS, ATF and other legacy funds	3.1
Programme Integration: The development of integrated of programmes to ensure that alignment to wider WMCA objectives	3.2
Develop new and Improved Stations	3.2
Greater Influence in the provision of train services for the West Midlands	3.2
Deliver a review of the regions Bus Delivery Options with a clear recommendation to WMCA Board on the regulatory framework and any changes.	3.2
Delivering our bus vision and BSIP to support inclusive growth.	3.2
To strengthen the reporting on the capital programme life cycle to ensure transport projects and programmes delivered on behalf of TfWM and the LA's - to provide regular reporting to the transport Delivery, Overview and Scrutiny committee to track progress against programme, budget including risks and issues through the transport portfolio office.	3.2

Key Activity	Aim & Objective
<b>Transport for West Midlands (Cont)</b>	
Network Infrastructure. Developing assets to support better access to the transport system including making our transport assets more affordable by increasing commercial revenues	3.4
Strategic Partnerships: The development of strategic partnerships at a regional, national and international level aligned to TfWM objectives	4.1
Future Transport Zone: Continue to support and grow a vibrant low carbon transport innovation eco-system which improves user experiences and furthers LTP outcomes through grant funded programmes and commercial collaborations	4.4
HS2: Ensure that the West Midlands maximises the benefits of HS2 to the region in line with HS2 Growth Strategy	4.4
Mass Rapid Transit: Development of option assessment studies for priority routes as identified in the LTP	4.4
Maximising future funding opportunities	5.2
Transport Skills Academy: Inspire the future workforce to consider Transport as a viable option for career choice within the West Midlands transport sector	6.3
Develop Delivery Directorate: Develop the Delivery Directorate team to become the best delivery team in the West Midlands, with a relentless focus on cost, programme and delivery quality becoming trusted partners both across TFWM, WMCA and the Local Authorities	6.4



Key Activity	Aim & Objective
<b>Employment, Skills, Health &amp; Communities</b>	
Number of residents starting training on a SWAP or gateway programme, funded by WMCA and delivered by our grant-funded or contracted providers	1.3
Number of unemployed residents who have moved into work after participating in WMCA-funded SWAP or gateway programme delivered by our grant-funded or contracted providers	1.3
Number of residents starting training on a bootcamp programme at any level, funded by WMCA and delivered by our grant-funded or contracted providers	1.3
Number of unemployed residents who have moved into work after participating in WMCA-funded skills bootcamp delivered by our grant-funded or contracted providers	1.3
Develop and implement a behavioural insights 'Know How' campaign targeting those at work to take up learning	2.1
Number of residents starting training on a level 3 course, funded by WMCA and delivered by our grant-funded or contracted providers	2.1
Number of residents starting any training, funded by WMCA through the Adult Education Budget or Free Courses for Jobs, and delivered by our grant-funded or contracted providers	2.1
Number of residents starting training on a level 3 bootcamp programme, funded by WMCA and delivered by our grant-funded or contracted providers	2.1
Work with Local Authorities to develop a delivery model for Universal Support	2.3
Number of residents supported by WMCA-funded programmes to improve their physical and mental wellbeing.	2.3
Number of residents supported to improve their mental or physical health by participating in WMCA-funded Thrive programmes.	2.3
Number of residents improving their well-being through participating in WMCA-funded community learning provision.	2.3
Number of residents supported to access physical activity through WMCA-funded programmes.	2.3

Key Activity	Aim & Objective
<b>Strategy, Economy &amp; Net Zero</b>	
Agree the local growth and place pillar of the single settlement for the next Spending Review using the outputs of the Strategic Productivity and Innovation Partnerships	1.1
Use the Strategic Innovation Partnership to increase public R&D funding to the region and the coherence of universities	1.1
Manage the funding agreement with the West Midlands Growth Company to deliver the programmes impacts of Global West Midlands.	1.2
Deliver the Business Growth West Midlands business support ecosystem inc. strengthening links with the private sector w/ a focus on i) consistency of service across WM ii) a high quality service iii) informing Strategic Productivity Partnerships and Single Settlement discussions iv) ensuring regional programmes are fully embedded in the service	1.2
As part of Business Growth West Midlands, ensure effective local delivery by partners of the UKSPF-funded business support programmes, including ongoing improvement of and liaison between LAs and WM-wide "core hub" activities	1.2
Deliver £40m of regional business growth programmes in line with the objectives in those business cases and fully aligned to Business Growth West Midlands and Plan for Growth	1.2
Plan For Growth - Lead the mobilisation of the West Midlands Plan for Growth with priorities including i) leading a coherent and cohesive approach to cluster leadership and growth priorities for each of eight clusters plus tech as an underpinning theme ii) ensuring there are key thematic interventions and clear strategic direction for each cluster	1.2
Develop, agree and implement a West Midlands CA Culture, Creative Industries and Digital combined strategy that provides thought leadership for WM partners, connects across sectors and has a clearly defined agreed regional USP. Completed strategy by March 2025.	1.4

Key Activity	Aim & Objective
<b>Strategy, Economy &amp; Net Zero (Cont)</b>	
Develop, agree and implement a WMCA Creative Industries strategy that maps onto DCMS Creative Industries Sector Vision outcomes but also understands and develops the WM CI specific sector approaches and opportunities. Completed strategy by March 2025.	1.4
Delivery of the full CWGLEF Culture Pillar Programme and evaluation across the four missions of 1) Cultural engagement, communities and social value; 2) Civic Pride, Placemaking and Cultural Infrastructure; 3) Futureproofing our cultural sector; and 4) Globally connected West Midlands Cultural Sector.	1.4
Delivery of final year of CDF underspend grant activities with focus on Wolverhampton, Sandwell and Dudley.	1.4
Ensure the delivery of a CWGLEF-wide evaluation that demonstrates the positive impact that the CWGLEF has had on the region	1.5
Deliver the recommendations made in Race Forward. Convene the Race Equalities Taskforce, Members Advisory Group and associated task groups to influence and enable the West Midlands Combined Authority, our partners and wider stakeholders to achieve the vision that your ethnicity, race or heritage will not be a barrier.	2.2
Facilitation and development of a varied portfolio of citizen engagement activity across the WMCA to ensure decisions are shaped by citizens and that our policies, practices and investments deliver real value for everyone living and working in the region.	2.2

Key Activity	Aim & Objective
<b>Strategy, Economy &amp; Net Zero (Cont)</b>	
Deliver the ambition to design out homelessness through ongoing facilitation of the Homelessness Taskforce, Members Advisory Group and associated task groups, including delivery of proof of concept activity, oversight of externally funded projects and programmes and developing alternative models for preventative activity.	2.3
Ensure the successful integration of the Police and Crime Commissioner functions into the West Midlands Mayoralty in May 2024, and identify, develop and deliver synergies and opportunities following integration.	2.3
Support systems and processes for devolving and delivering more effective energy infrastructure and remove barriers to investing in clean energy assets	4.1
Work with partners to develop and deliver projects to tackle fuel poverty in the region and progress towards the target of getting the region's homes to Net Zero by 2041	4.1
Grow SMART Hub capacity to support local authorities to access funding, intelligence and expertise to retrofit homes to reduce carbon emissions	4.1
Commence delivery of Net Zero Neighbourhood Demonstrator programme to pilot place-based approaches to retrofit and wider decarbonisation, building a pipeline of projects, establishing the first Net Zero Neighbourhood and commencing works to homes in this area	4.1
WM Industrial Symbiosis Demonstrator (WMIS)	4.3
Local Investment in Natural Capital (LINC) programme	4.5
Local Nature Recovery Strategy (LNRS)	4.5
Defra and DLUHC Air Quality behaviour change and sensor network	4.5
Community Environment Fund (CEF)	4.5
Climate Adaptation	4.5
Greener Together Citizens Panel	4.5
To develop, integrate and socialise Inclusive Growth across the West Midlands through the development of Inclusive Growth products, communications, and events.	5.1

Key Activity	Aim & Objective
<b>Strategy, Economy &amp; Net Zero (Cont)</b>	
Design, develop, deliver and communicate research programme undertaken by WMCA's research and intelligence community to stakeholders across the West Midlands ecosystem	5.1
Deliver the West Midlands Outcomes Framework by which the West Midlands can measure the extent to which we are achieving our Inclusive Growth fundamentals.	5.1
Deliver outcomes as defined by the WMCA Digital Roadmap through a programme of integrated activity and partnership working across each of the five missions.	5.1
Implement the public affairs strategy, including lobbying plans and the Public Affairs Network, to secure WMCA influence within national policy and policymaking processes and with national thought leaders; and to establish our role as a regional public affairs convenor.	5.1
Maintain capacity for disseminating policy ideas, information and research across the organisation, to support the WMCA's capacity for innovative policymaking.	5.1
Facilitate the implementation of the trailblazer deeper devolution deal and support colleagues resolve the most important and/or challenging elements of implementation, with a particular focus on business case delivery and MP Questions.	5.2
Undertake a devolution review in 2024 to identify the WMCA's future devolution priorities.	5.2
Deliver the 9 workstreams required to implement the single settlement.	5.2
Embed plans and activities for the organisation's internal and external functions to meet the requirements as set out in the WMCA equality scheme. Deliver the workplace wellbeing strategy and support.	6.5

Key Activity	Aim & Objective
<b>Housing, Property &amp; Regeneration</b>	
Lead WMCA Strategic Acquisitions, Disposals and Asset Management programmes	3.3
Organise and lead a series of industry led taskforces to provide critical insight, challenge, advocacy and support to the work of the Housing and Land Board	3.3
Deliver a comprehensive programme supporting the effective implementation of the public land charter through collaborative working with the Cabinet Office, LGA, industry taskforces & local partners via overseeing and managing the development and delivery of the regional One Public Estate and Place Pilots Programmes.	3.3
Develop and support Board approved policy development work e.g. Homes for the Future and West Midlands Design Charter	3.3
Establish new and strengthen existing partnerships, ventures and joint approaches with public and private sector partners across the whole of the region to deliver local priorities leading to the development of an Affordable Housing strategy and Affordable Homes Programme for the region.	3.4
Produce the annual West Midlands Investment Prospectus and deliver associated partner engagement	3.4
Support local authorities and other partners on policy, projects, funding bids and investment plans in town centres	3.4
Influence & Engage with HMG on behalf of the region on a diverse range of housing, land and regeneration matters	3.4
Delivery of prescribed requirements and output targets of the 2018 Housing Deal & subsequent funding deals and agreements with HMG, as part of our nationally pioneering approach to brownfield regeneration and delivery innovation	4.2
Lead the implementation of the new funding, powers and leveraging of private sector investment for Housing Property & Regeneration, in alignment with the Devolution Deal, Single Settlement and Plan for Growth .	4.2
Manage and deliver modern high-class FM and Business Support services for WMCA and its estate tenants	6.1

Key Activity	
<b>Enabling Services</b>	
<p>Key activity will be defined later in January once the Directorate key activity has been digested and its impact on Enabling Services understood.</p>	

## APPENDIX 5 – WMCA Delivered Capital Programme

### Transport

TRANSPORT CAPITAL PROGRAMME (€M)		Prior Period	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL	TOTAL (inc prior)	Project Life Budget	
Metro	Birmingham City Centre Extension	-	-	-	-	-	-	-	-	-	
	Buy Before Boarding	0.3	3.6	7.6	-	-	-	11.2	11.6	11.6	
	Metro Birmingham Eastside Extension	122.7	49.6	21.9	8.6	24.1	0.4	104.5	227.2	227.2	
	Metro Centenary Square Extension	75.5	0.1	0.3	-	-	-	0.4	75.8	75.8	
	Metro Edgbaston Extension	84.3	3.4	0.5	-	-	-	3.9	88.2	88.2	
	Metro Wednesbury to Brierley Hill Extension	193.1	103.5	89.5	0.7	-	-	-	193.6	386.7	386.7
	Metro Wolverhampton City Centre Extension	46.8	7.9	-	-	-	-	7.9	54.7	54.7	
	Trams	-	-	-	-	-	-	-	-	-	-
	Metro Network Enhancements	8.6	14.1	35.5	38.9	8.6	-	97.2	105.7	105.7	
Metro - Other	14.3	1.8	3.2	0.2	-	-	5.2	19.5	19.5		
<b>METRO TOTAL</b>		<b>545.6</b>	<b>184.1</b>	<b>158.4</b>	<b>48.3</b>	<b>32.7</b>	<b>0.4</b>	<b>423.9</b>	<b>969.5</b>	<b>969.5</b>	
Rail	Park and Ride	-	0.3	0.3	1.8	2.3	-	4.5	4.5	4.0	
	Rail Package 1	20.4	16.1	26.2	7.2	-	-	49.5	69.8	69.8	
	Rail Package 2	23.0	36.9	9.3	-	-	-	46.2	69.2	69.2	
	Rail Station	94.4	12.2	-	-	-	-	12.2	106.6	106.6	
	Snow Hill	-	-	-	-	-	-	-	-	-	
	Very Light Rail	-	0.2	2.5	2.2	-	-	5.0	5.0	5.0	
	Rail Developemnt	-	-	0.5	0.5	-	-	1.0	1.0	1.0	
	Dudley Port Integrated Transport Hub	0.0	0.1	2.2	0.0	-	-	2.4	2.5	2.5	
	Aldridge Station	-	1.0	3.1	9.6	16.3	-	30.0	30.0	30.0	
Rail - Other	0.5	0.2	0.4	5.0	15.8	-	21.3	21.8	21.8		
<b>RAIL TOTAL</b>		<b>138.3</b>	<b>67.0</b>	<b>44.5</b>	<b>26.3</b>	<b>34.3</b>	<b>-</b>	<b>172.1</b>	<b>310.4</b>	<b>309.9</b>	
Bus	Bus Station/Interchange	2.1	2.9	16.5	2.3	-	-	21.7	23.8	23.8	
	Clean Bus	30.1	4.8	41.2	18.3	-	-	64.3	94.4	94.4	
	Cross City Bus	0.9	2.5	7.7	11.6	-	-	21.8	22.7	22.7	
	East Birmingham to Solihull Corridor	0.0	0.3	1.0	4.1	5.7	-	11.1	11.1	11.1	
	Demand Responsive Bus	-	-	5.5	4.5	-	-	10.0	10.0	10.0	
	BSIP Bus Priority Cross City Routes	0.2	1.8	7.2	23.3	26.5	-	58.8	59.0	59.0	
	BSIP Retrofit Programme	-	0.5	0.5	-	-	-	1.0	1.0	1.0	
	National Productivity Investment Fund	2.2	1.2	-	-	-	-	1.2	3.4	3.4	
	<b>BUS TOTAL</b>		<b>35.5</b>	<b>13.9</b>	<b>79.6</b>	<b>64.1</b>	<b>32.2</b>	<b>-</b>	<b>189.8</b>	<b>225.3</b>	<b>225.3</b>
Sprint	Hagley Road	5.5	0.5	4.5	-1.0	-	-0.0	4.0	9.6	64.2	
	Hall Green to Interchange via Solihull	0.1	0.2	-	-	-	-	0.2	0.3	32.1	
	Longbridge to Birmingham	0.2	0.1	-	-	-	0.0	0.1	0.3	42.6	
	Sutton Coldfield to Birmingham	-	-	-	-	-	-	-	-	-	
	Sprint Ph2 A45	1.2	4.3	18.2	9.1	-3.2	-	28.4	29.5	29.5	
	Sprint Ph2 A34	3.4	3.5	13.4	7.3	-1.1	-	23.1	26.5	26.5	
	Sprint A45	59.0	0.7	0.8	-	-	-	1.4	60.4	60.4	
	Sprint A34	31.8	0.1	0.2	-	-	-	0.3	32.1	32.1	
	Hagley Road Rapid Transit	-	0.6	2.0	2.4	5.0	-	10.0	10.0	10.0	
<b>SPRINT TOTAL</b>		<b>101.2</b>	<b>10.0</b>	<b>39.1</b>	<b>17.8</b>	<b>0.7</b>	<b>0.0</b>	<b>67.5</b>	<b>168.7</b>	<b>297.4</b>	
Highways	KRN/MRN	1.6	0.6	-	-	-	-	0.6	2.3	2.3	
	Highways - Other	4.2	1.7	3.3	-	-	-	5.0	9.2	9.2	
<b>HIGHWAYS TOTAL</b>		<b>5.8</b>	<b>2.3</b>	<b>3.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.6</b>	<b>11.4</b>	<b>11.4</b>	
Digital and Data	FMZ	9.7	3.1	2.8	-	-	-	5.9	15.6	15.6	
	RTCC	13.3	3.9	-	-	-	-	3.9	17.2	17.2	
	RTI	0.5	0.6	-	-	-	-	0.6	1.0	1.0	
	Scheme Development and M and E	0.1	1.1	2.3	1.7	1.8	-	6.9	7.0	7.0	
Digital and Data - Other	5.1	0.3	-	-	-	-	0.3	5.4	5.4		
<b>DIGITAL AND DATA TOTAL</b>		<b>28.5</b>	<b>9.0</b>	<b>5.1</b>	<b>1.7</b>	<b>1.8</b>	<b>-</b>	<b>17.6</b>	<b>46.2</b>	<b>46.2</b>	
Other Transport	Asset Management	3.8	2.2	0.2	-	-	-	2.4	6.2	6.2	
	Transport - Other	0.1	0.0	-	-	-	-	0.0	0.2	0.2	
<b>OTHER TRANSPORT TOTAL</b>		<b>4.0</b>	<b>2.2</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.4</b>	<b>6.4</b>	<b>6.3</b>	
Sustainable Travel	Air Quality	-	-	1.0	-	-	-	1.0	1.0	1.0	
	Better Streets Community Fund	1.8	0.1	-	-	-	-	0.1	1.9	1.9	
	Electric Vehicles	0.1	5.4	13.7	8.5	-	-	27.5	27.6	27.6	
	Priority One Development	0.7	0.7	-	-	-	-	0.7	1.4	1.4	
	Walk Cycle Bus	-	-	-	-	-	-	-	-	-	
Swift ceMV Contactless Payment Broker	0.2	1.3	12.5	4.1	-	-	17.8	18.0	18.0		
<b>SUSTAINABLE TRAVEL TOTAL</b>		<b>2.8</b>	<b>7.5</b>	<b>27.1</b>	<b>12.5</b>	<b>-</b>	<b>-</b>	<b>47.2</b>	<b>50.0</b>	<b>50.0</b>	
<b>TRANSPORT TOTAL</b>		<b>861.6</b>	<b>296.1</b>	<b>357.2</b>	<b>170.8</b>	<b>101.7</b>	<b>0.4</b>	<b>926.2</b>	<b>1,787.8</b>	<b>1,915.9</b>	

In line with the guidance in paragraph 8.7, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2024/25 onwards which will come forward once a financing route is confirmed.

The report recommends **WMCA Board Approve the first year (2023/24) of the indicative WMCA Capital Programme** as set out in this appendix and that WMCA Board note the indicative onward programme from 2024/25 onwards.

The final 2024/25 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2024/25 following confirmation of the 2023/24 outturn position.



## Housing and Regeneration

HOUSING AND REGENERATION CAPITAL PROGRAMME (£M)		Prior Period	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL	TOTAL (inc prior)	Project Life Budget
Housing and Regeneration	Brownfield Land Fund	2.0	6.3	66.8	46.1	5.8	2.1	127.1	129.1	129.1
	Housing Land Fund	40.5	4.0	17.8	18.4	7.2	11.1	58.5	99.0	99.1
	Land Remediation Funds (BLPDF)	39.6	4.2	3.4	2.8	0.0	0.0	10.4	50.0	50.0
	Land Remediation Funds (LPIF)	27.5	21.0	4.1	0.1	-	-	25.2	52.7	149.7
	National Competitive Fund	6.4	0.2	2.7	4.7	5.1	5.0	17.8	24.2	24.2
<b>HOUSING AND REGENERATION TOTAL</b>		<b>115.9</b>	<b>35.8</b>	<b>94.8</b>	<b>72.1</b>	<b>18.1</b>	<b>18.2</b>	<b>239.1</b>	<b>355.0</b>	<b>452.1</b>

## Strategy, Innovation & Net Zero

STRATEGY, INNOVATION AND NET ZERO CAPITAL PROGRAMME (£M)		Prior Period	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL	TOTAL (inc prior)	Project Life Budget
Strategy,	Sustainable Warmth	0.1	0.6	-	-	-	-	0.6	0.7	0.7
Innovation and	Social Housing	0.8	6.0	12.4	-	-	-	18.5	19.3	5.3
Net Zero	Net Zero - Other	0.2	0.2	1.4	0.1	-	-	1.6	1.8	1.7
<b>STRATEGY, INNOVATION AND NET ZERO TOTAL</b>		<b>1.0</b>	<b>6.8</b>	<b>13.8</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>20.7</b>	<b>21.7</b>	<b>7.7</b>

In line with the guidance in paragraph 8.7, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2024/25 onwards which will come forward once a financing route is confirmed.

The report recommends **WMCA Board Approve the first year (2024/25) of the indicative WMCA Capital Programme** as set out in this appendix and that WMCA Board note the indicative onward programme from 2024/25 onwards.

The final 2024/25 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2024/25 following confirmation of the 2023/24 outturn position.

## APPENDIX 6 – Externally Delivered Capital Programme

### Transport

TRANSPORT (EXTERNAL) CAPITAL PROGRAMME (£M)		Prior Period	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL	TOTAL (inc prior)	Project Life Budget
Rail - External	Very Light Rail - External	3.9	8.6	18.3	21.7	-	-	48.6	52.5	52.5
	Solihull Rail Station	-	-	1.8	-2.2	1.9	2.5	4.0	4.0	4.0
	West Coast Mainline	-	-	1.3	1.3	1.5	-	4.0	4.0	4.0
<b>RAIL - EXTERNAL TOTAL</b>		<b>3.9</b>	<b>8.6</b>	<b>21.3</b>	<b>20.8</b>	<b>3.4</b>	<b>2.5</b>	<b>56.6</b>	<b>60.5</b>	<b>60.5</b>
Bus - External	East Birmingham to Solihull Corridor - External	-	0.8	1.3	9.5	6.4	-	17.9	17.9	17.9
	UKC - Solihull - Dorridge Bus Priority	-	-	0.5	1.5	2.0	-	4.0	4.0	4.0
<b>BUS - EXTERNAL TOTAL</b>		<b>-</b>	<b>0.8</b>	<b>1.8</b>	<b>11.0</b>	<b>8.4</b>	<b>-</b>	<b>21.9</b>	<b>21.9</b>	<b>21.9</b>
Grants to Local Authorities - Transport	City Centre Regeneration	70.5	12.9	59.3	38.6	42.4	28.9	182.1	252.6	271.1
	Cycling and Walking	5.6	12.1	23.4	-	-	-	35.5	41.2	41.2
	Highways	7.2	6.4	8.1	7.1	7.1	-	28.6	35.8	35.8
	Highways Maintenance	20.0	23.6	20.0	20.0	20.0	-	83.6	103.6	103.6
	Local Network Improvement Plan	16.0	16.0	16.0	16.0	16.0	-	64.1	80.2	80.2
	Very Light Rail - External Grants	-	-	-	-	-	-	-	-	-
	Grants to Local Authorities - Other	32.1	4.1	8.7	35.3	69.3	38.6	156.1	188.2	293.0
HS2 Enabling	41.9	1.9	7.6	31.2	16.4	5.9	63.0	104.9	398.0	
<b>GRANTS TO LOCAL AUTHORITIES - TRANSPORT TOTAL</b>		<b>193.4</b>	<b>77.1</b>	<b>143.2</b>	<b>148.2</b>	<b>171.2</b>	<b>73.4</b>	<b>613.1</b>	<b>806.5</b>	<b>1,222.9</b>
Sustainable Travel - External	Electric Vehicles - External	0.1	0.1	6.8	-	-	-	6.9	7.0	7.0
	Sutton Coldfield Gateway	-	1.0	4.0	10.0	10.0	-	25.0	25.0	25.0
	Active Travel - A45 Segregated Cycleway	-	0.5	2.3	5.8	5.8	-	14.3	14.3	14.3
	A38 Selly Oak to Longbridge Segregated Cycling	-	0.3	2.5	5.9	5.9	-	14.5	14.5	14.5
	City Centre Active Travel Connections to Interchange	-	0.1	2.9	5.3	6.7	-	15.0	15.0	15.0
	One Station and Smalbrook Queensway	-	-	2.6	2.5	9.9	-	15.0	15.0	15.0
	Snow Hill Growth Strategy	-	-	1.0	2.0	2.0	-	5.0	5.0	5.0
	Foleshill Transport Package	0.5	0.6	2.2	1.3	-	-	4.0	4.5	0.5
	Cov South Sustainable Transport	0.3	1.7	9.5	9.6	-	-	20.7	21.0	21.0
	Dudley Town Centre Interchange Sustainable Connectivity Package	-	-	2.0	2.0	0.5	-	4.5	4.5	4.5
	Stourbridge Town Centre Sustainable Connectivity Package	-	0.2	0.5	1.8	0.5	-	3.0	3.0	3.0
	Wednesbury to Brierley Hill Extension Sustainable Access Measures	-	-	4.0	8.0	4.0	-	16.0	16.0	16.0
	A461 Walk, Cycle and Bus Corridor	-	0.2	1.5	7.0	3.8	-	12.5	12.5	12.5
	Smethwick - Birmingham Inclusive Growth Corridor Transport Package	-	0.4	4.7	8.0	6.0	-	19.0	19.0	19.0
	Craster Road Corridor - Segregated Cycleway and Capacity Enhancement	-	0.2	0.8	2.0	3.8	-	6.8	6.8	6.8
	Dickens Heath to Solihull Town Centre LCWIP Scheme	-	0.3	0.8	9.2	-	-	10.3	10.3	10.3
	Knowle to Solihull Town Centre LCWIP Scheme	-	0.3	0.7	7.0	-	-	8.0	8.0	8.0
	Multi-modal Access to HS2 Enhancement	-	-	1.0	1.5	1.5	-	4.0	4.0	4.0
	Bus, Cycle and Walk Access - Darlaston and Willenhall Train Stations	-	-	1.5	1.5	-	-	3.0	3.0	3.0
	A454 Walk, Cycle and Bus Corridor	-	0.9	3.6	6.8	6.7	-	17.9	17.9	17.9
	A41 Moxley Iron Park to Walsall Town Centre Walk, Cycle and Bus Corridor	-	0.5	0.6	8.0	10.0	-	19.0	19.0	19.0
	Bus, Cycle and Walk Access - Walsall Town Centre Interchange	-	-	-	0.5	0.5	-	1.0	1.0	1.0
	Black Country Walking and Cycling Package	-	-	3.0	2.0	3.0	-	8.0	8.0	8.0
A4123 Walk, Cycle and Bus Corridor	-	0.5	5.1	11.4	12.0	-	29.0	29.0	29.0	
A449 Walk, Cycle and Bus Corridor	-	0.7	2.0	8.6	5.3	-	16.5	16.5	16.5	
Wolverhampton City Centre Movement - Walk, Cycle and Bus Package	-	-	5.5	6.5	1.5	-	13.5	13.5	13.5	
<b>SUSTAINABLE TRAVEL - EXTERNAL TOTAL</b>		<b>0.8</b>	<b>8.4</b>	<b>70.9</b>	<b>134.0</b>	<b>99.2</b>	<b>-</b>	<b>312.5</b>	<b>313.3</b>	<b>309.2</b>
<b>TRANSPORT (EXTERNAL) TOTAL</b>		<b>198.1</b>	<b>94.9</b>	<b>237.2</b>	<b>314.0</b>	<b>282.2</b>	<b>75.9</b>	<b>1,004.1</b>	<b>1,202.2</b>	<b>1,614.5</b>

### Economy, Skills and Community (Externally Delivered)

ECONOMY, SKILLS AND COMMUNITY CAPITAL PROGRAMME (£M)		Prior Period	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL	TOTAL (inc prior)	Project Life Budget
ESC External	UKSPF	3.1	12.4	16.4	-	-	-	28.8	31.9	31.9
<b>ECONOMY, SKILLS AND COMMUNITY TOTAL</b>		<b>3.1</b>	<b>12.4</b>	<b>16.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.8</b>	<b>31.9</b>	<b>31.9</b>

In line with the guidance in paragraph 8.7, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2024/25 onwards which will come forward once a financing route is confirmed.

The report recommends **WMCA Board Approve the first year (2024/25) of the indicative WMCA Capital Programme** as set out in this appendix and that **WMCA Board note the indicative onward programme from 2024/25 onwards.**

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## APPENDIX 7 – MAYORAL Q&A



**West Midlands  
Combined Authority**

### **Joint Overview & Scrutiny Committee**

**Thursday 14 December 2023 at 2.00 pm**

#### **Minutes**

##### **Present**

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Naeem Akhtar	Coventry City Council
Councillor Pervez Akhtar	Coventry City Council
Councillor Robert Alden	Birmingham City Council
Councillor Philip Bateman MBE	City of Wolverhampton Council
Councillor Andrew Burrow	Solihull Metropolitan Borough Council
Councillor Amo Hussain	Walsall Metropolitan Borough Council
Councillor Timothy Huxtable	Birmingham City Council
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Narinder Kaur Kooner OBE	Birmingham City Council
Councillor Ewan Mackey	Birmingham City Council
Councillor Martin McCarthy	Solihull Metropolitan Borough Council
Councillor Miranda Perks	Birmingham City Council
Councillor Josh O'Nyons	Solihull Metropolitan Borough Council
Councillor Lauren Rainbow	Birmingham City Council
Councillor Gurmeet Singh Sohal	Walsall Metropolitan Borough Council
Councillor David Stanley	Dudley Metropolitan Borough Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Amanda Tomlinson	Business Representative
Councillor Antony Tucker	Coventry City Council
Councillor Adrian Warwick	Warwickshire County Council

##### **In Attendance**

Councillor Bob Sleight	Portfolio Lead for Finance
Andy Street	Mayor of the West Midlands

##### **Item Title** **No.**

- 1. Inquorate Meeting**  
This meeting was inquorate and therefore any decisions taken at the meeting would be submitted to the WMCA Board on 12 January 2024.
- 2. Welcome and Introductions**  
The Chair welcomed the Mayor, Deputy Mayor and members of the committee.

### **3. Apologies for Absence**

Apologies were received from Councillor Carol Hyatt (Wolverhampton), Councillor Mary Locke (Birmingham), Councillor Nigel Lumby (Shropshire), Councillor John McNicholas (Coventry), Councillor Saddak Miah (Birmingham), Councillor Paul Moore (Sandwell), Councillor Jamie Tennant (Birmingham), Councillor Ian Ward (Birmingham) and Councillor Vera Waters (Walsall).

### **4. Questions to the Mayor and the Portfolio Lead for Finance from Members of the Committee**

The Chair initiated the question-and-answer session by asking whether the decision not to set a precept during the entire existence of the WMCA had impacted the stability of the budget. The Mayor confirmed that no precept had been set thus far, and that it had not been the view of the WMCA Board to date that a mayoral precept should have been set. However, he did consider that in the next mayoral term this issue would need to be revisited, given the Government's view as to further fiscal devolution to the region when it considered the WMCA was not making use of revenue raising powers it already had.

The committee explored questions regarding Network North funding and the acknowledgement of the need for subsidy for public transport in urban areas, an increase in the transport levy and support for this across the local authorities to sustain the current offer to residents and financial pressures experienced by local authorities. In addition, the Mayor explained the WMCA's position with regards to Birmingham City Council's highways PFI deal.

The committee sought assurances regarding the financial risk register and risk assurance underpinning the proposed budget. The Mayor explained that the WMCA Board received regular budget monitoring reports and also considered risk mitigation measures. Further topics discussed included the impact of concessionary fare cuts on members of the public who did not have access to a car, and business resilience support contained within the Government's Autumn Statement. Efforts to enhance this support, including the development of a shared pot, were discussed, along with initiatives to simplify access for businesses.

Questions were asked about funding for active travel, the capital budget's effect on the Midlands Rail Hub, and challenges related to transport investment. The Mayor highlighted successful efforts in securing Government funding, investments in clean transport, and plans for a bus franchising assessment in July 2024. Concerns about concessionary fares, bus reliability and accessibility issues were also discussed.

The discussion concluded with insights into the impact of business rates retention, lessons learned from the WMCA's funding approach, and reflections on the cycle hire scheme's financial viability and sustainability.

Resolved:

The draft WMCA 2024/25 budget be noted.

The meeting ended at 4.00pm.

DRAFT