



## WMCA Board

<b>Date</b>	12 January 2024
<b>Report title</b>	Financial Monitoring Report 2023/24
<b>Portfolio Lead</b>	Finance - Councillor Bob Sleigh
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<b>Report has been considered by</b>	WMCA Executive Board – 3 January 2024 WM FDs – 4 January 2024

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

#### **WMCA Board is recommended to:**

- (1) Note the financial position as at 30 November 2023, as detailed in Sections 2 and 3.
- (2) Note the latest forecast for 2023/24 as detailed in Section 4.
- (3) Note the new grant awards to the WMCA as outlined in Section 5, and the arrangements for these grants.
- (4) Note the intention to enter into contracts with Local Authorities for year three activity following DLUHC relaxing the carry forward requirements which apply to the UK Shared Prosperity Fund, as outlined in Section 5.
- (5) Note that under the delegation provided by WMCA Board in November 2023, the WMCA Section 151 Officer recently approved the acceptance of the £100m funding for Brownfield regeneration, secured as part of the Trailblazer Devolution Deal (Section 5).
- (6) Note the additional funding awarded to the region for Highways Maintenance works, as part of the Government's Network North plan, and endorse the proposed allocation of this funding.
- (7) Note the Treasury and Prudential indicators for the period ending 30 November 2023 as outlined in Section 7 and Appendix 6 of this report.

## **1.0 Purpose**

- 1.1 To provide an update on the Combined Authority's financial position based on the information known at the end of November 2023. The report includes capital and revenue financial performance, explanations for variations, an update on the likely outturn for 2023/24 and risks which are being managed by the Authority.

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

- 2.1 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority, whilst Appendices 2 to 4 present the detailed summaries for Transport, the WMCA Portfolios and the Mayoral office, respectively.
- 2.2 The position at the end of November is a surplus of £4.2m which is a favourable variance from budget of £4.1m (as compared to the position at September 2023 of £3.9m).
- 2.3 Within Transport there is a surplus of £2.7m which represents a favourable variance from budget of £2.2m. The year to date position is due to the impact of staffing vacancies as well as receipt of Local Transport Fund grant which will meet contractual costs of the tendered bus service across the rest of the fiscal year. Concessionary related underspends have arisen due to patronage remaining below pre pandemic levels. In line with agreement from the Board, these savings have been transferred to a reserve to protect against future transport network risks, £2.0m to date.
- 2.4 Within the Portfolio budgets there is a favourable variance of £1.9m due to staff vacancies, underspends on external advice and receipt of new grant income. There remain underspends against the grants within Economic Skills and Communities totalling £27.2m to date, including AEB, Multiply, Digital Skills and UKSPF. This position is only of timing, with fully recovery of the position anticipated at year end.
- 2.5 The Mayoral Office position as at the end of November 2023 was in line with budget.

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

- 3.1 Appendix 5 sets out the position on the Capital Programme as at the end of November 2023. Actual costs totalled £229.5m, resulting in a favourable variance of £140.3m against a phased budget of £369.8m. This means that around 62% of the planned programme has been delivered in line with original phasing.
- 3.2 The year to date expenditure to budget variance is primarily contained within Transport (£60.8m), Housing and Regeneration (£23.8m) and a further £54.9m within the capital programme delivered externally by Local Authorities.
- 3.3 Within Transport, the variances are across the entire programme, but the most significant are within Metro (£38.5m), Rail (£7.9m), Data and Digital (£4.0m) and Bus (£3.5m). The Metro programme reflects the latest programme schedule with £17.5m underspend on the Birmingham Eastside Extension due to rescheduling of construction and utility works and associated land vesting and a further £8.5m on Metro enhancements due to timings around agreeing technical features and detailed designs for the Wednesbury Depot and deferment

of work in relation to Metro Line 1. In addition, the timing of contingency drawdown and activity within the Urban Realm budget relating to the Wolverhampton City Centre Extension has resulted in £3.1m variance. Within Rail, the timing of compensation events relating to University Station has led to underspend of £1.5m with a further £3.2m underspend on the Perry Barr rail station due to timing issues. There are savings against budget to date on the Data and Digital workstreams and bus schemes relating to the timing of works.

- 3.4 Within the Housing and Regeneration programme, there is a £12.4m underspend in relation to the Brownfield Land Fund where land acquisition by a partner authority has not progressed at the pace initially anticipated, thus impacting on WMCA activity and spend. The Phoenix 10 project within the Black Country Land and Property Investment Fund accounts for £9.1m of this underspend, as work has been rephased to later in the financial year. Other movements of £1.6m relate to projects which have not progressed at the pace anticipated at the budget development stage.
- 3.5 In relation to the externally delivered programme, £37.9m of the variance relates to the Coventry City Centre South Regeneration project. The underspend reflects the latest delivery schedule in regard to the acquisition of land necessary for assembly of the project and completion of demolition works.

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

- 4.1 The second forecast for 2023/24 was completed in October 2023. The forecast presents the updated view of the profile and cost of delivering activities over the remaining six months of the fiscal year, as well as the latest position on central government transport funding, Midland Metro Limited costs, rising energy costs and interest rates impact.
- 4.2 The revenue position for the full year forecasts a surplus of £1.3m, which is an improvement on the previous forecast where a balanced budget was being anticipated. The key movements within the full year position are within Transport where an increase in the costs of £1.8m for tram repairs is offset by favourable movements across staffing budgets due to vacancies and a £0.9m reduction in the subsidy requirement for Midland Metro Limited.
- 4.3 Within Portfolios, a combination of new grant income, savings against vacant posts and reduced external advice expenditure has resulted in a favourable movement of £0.9m.
- 4.4 There is also a surplus of £5.3m within Enabling Services mainly due windfall gains on Treasury Management activities which have been transferred to reserves to support the 2024/25 budget development. This is in line with previous Board approval.
- 4.5 The latest capital forecast indicates expenditure of £445.9m, with £107m delivered externally and £339m delivered internally. This is against an original budget of £599.1m, meaning that there is £153.2m reduction in expenditure and that 74% of programme is expected to be delivered within this fiscal year. Around 62% of the forecast expenditure is due to be delivered in the second half of the year.
- 4.6 Compared to quarter one, the most significant movements in expenditure are within the internally delivered Transport (£29m) and Housing & Regeneration Programmes (£30m). The reduction in the Housing & Regeneration programme is largely due to the fundamental review of the Brownfield Land Housing pipeline projects. The main variations for Transport

are within Sprint (£10.1m) where design and utility works are expected to be done in 2023/24 with construction works on Phase 2 deferred to 2024/25. Metro accounts for £7.3m of the variation where the Metro Enhancement projects has been rephased to reflect the latest programme.

4.7 There has been ongoing engagement with grant providers in respect of the slippage in the capital programme to minimise risk of any grant clawbacks.

4.8 A re-forecast will be done for quarter 3 in January 2024 and formally reported to the Board subsequently.

## 5.0 New Funding

5.1 Since the last report, new grant funding, totalling £35.1m has been secured, as the WMCA continues in its efforts to source additional funding to deliver its priorities. Details of these grants are summarised in the table below.

Grant name	Value	Grant period		Purpose
	£m	From	To	
Bootcamp wave 5	26.794	Apr-24	Mar-25	Bootcamp Wave 5 for spend in 24/25 to be used for development of technical skills to improve employability and income opportunities.
National Antisocial Behaviour Action Plan	0.450	Jan-24	Mar-25	One of our Corporate priorities this year is to be an ambitious, forward thinking and determined organisation, which this bid aligns to and it support the deliver of Aim 3.1. Within the National Antisocial Behaviour Action Plan the DfT committed to making public transport safer, building on the model seen in the West Midlands by piloting an expansion to the TSOs with up to £2.5m additional funding – specifically – trained staff to deal with low level nuisance and disorder, who target hotspot routes and locations. Consequently, the DfT is commissioning TfWM to provide advice to the five local transport authorities, who will be responsible for the delivery of the pilot programme.
Capability & Ambition fund	1.700	Dec-23	Mar-25	Revenue funding for Cycling & Walking tranche 2.
Campos + (Place Based Decarbonisation Accelerator)	6.200	Mar-24	Mar-26	Deliver a Place-Based Net Zero Accelerator project that will build on the work done in Phase 1 of Project CAMPOS. The objective set by Government is to design a net zero accelerator model which covers energy, transport and building decarbonisation as a minimum and design investment model(s) to attract private investment - which is scalable, replicable and which leads to contracted or secured investment partners capable of delivering at scale by circ. March 26. Delivery will commence shortly after, if not before.
<b>Total</b>	<b>35.144</b>			

5.2 With respect to the UK Shared Prosperity Fund (UKSPF), Government have recently written formally to WMCA advising that they are relaxing the processes concerning the carry forward of under-spends between financial years. The letter also provided confirmation that WMCA can expect to receive its full allocation of £88.4m. The UKSPF programme workstreams are delivered by both Local Authorities and WMCA.

5.3 UKSPF is a 3-year programme with year 3 beginning on 1 April 2024. Prior to the relaxation, WMCA had to seek consent to carry forward unspent sums which introduced delays in delivery. In 2023/24, WMCA and Local Authorities lost in the region of 4 months of delivery time whilst Government agreed the year 2 allocations. The relaxation means WMCA and Local Authorities have more certainty that the funding to deliver programmes will be made available and can be spent across multiple financial years. Following receipt of the letter, WMCA intend to commence the year 3 contracting activity with Local Authorities in the coming weeks. Whilst contracts will be issued in lieu of the legally binding grant determination letter being received, the approach agreed by the Section 151 Officer to provide Local Authorities with early confirmation will give the region the best chance of fully utilising the funding on offer.

- 5.4 As detailed above, 2024/25 is the final year of the UKSPF programme and any funds not spent from the £88.4m allocation by 31 March 2025 are returnable to Government. The original profile of the grant was always heavily back ended with over 60% of the £88.4m needing to be spent in the final year. With slippage encountered from the issues detailed above, the size of the challenge in 2024/25 will be even more significant. WMCA are continually in contact with Local Authorities with respect to spend forecasts and this information provides confidence that the programme is on target and allows early intervention where under-spends are likely to occur.
- 5.5 The latest spend profile below indicates the size of the challenge WMCA and Local Authorities face between now and 31 March 2025.

UKSPF PROGRAMME TOTAL				
2022/23 Actual	2023/24 Forecast	2024/25 Forecast	Total Expected Forecast	UKSPF Total Funding
5.13	27.24	56.04	88.41	88.41
5.8%	30.8%	63.4%	100.0%	

- 5.6 WMCA is in the process of reviewing the workstreams / programmes it is directly responsible for delivering. Where opportunities exist to vary programmes (e.g. as a result of the funding confirmation issues referred to above), these are approved in line with the normal financial delegations framework which applies to the authorisation of WMCA's expenditure. WMCA ensure Economic Growth Board is consulted ahead of any formal decisions to ensure any changes to the programme are made in a transparent way with appropriate strategic programme management factors receiving proper consideration.
- 5.7 In accordance with the delegated authority granted to the Section 151 Officer at the November 2023 WMCA meeting, the £100m Brownfield Regeneration Fund has been accepted. The capital grant can be utilised for 3 years up to 31 March 2026. The outputs WMCA are expected to deliver against the fund are very narrowly focused on housing units, but the funds can serve a broader purpose (e.g. mixed-use developments) providing the 4,000 homes target is delivered.

## 6.0 Highway Maintenance Funding: Network North

- 6.1 As part of the Network North announcement, DfT recently wrote to WMCA to confirm the award of £2,586,000 from the Road Resurfacing Fund for local highways maintenance for 2023/24 with an equivalent amount confirmed for 2024/25. This award is in addition to previous Pothole allocations and any funding from CRSTS used for Highways. The letter also included indicative allocations from April 2025 to March 2034 and could potentially represent an increase of approximately £16m per annum for investment in highways maintenance from that point (assuming the CRSTS Highways allocations remain static over that period).
- 6.2 WMCA has received the payment of the £2,586,000 for 2023/24 and the corresponding grant letter from the DfT. The conditions stated within the letter are broadly similar to the conditions for the additional Pothole Funding received earlier this year and WMCA will assemble a funding letter for Local Authorities shortly outlining the relevant conditions.
- 6.3 With regards to how this funding is allocated, it is recommended that this funding be allocated to recipient Local Authorities as shown in the table below. This methodology is

identical to the one previously used for CRSTS Highways Maintenance and Pothole allocations.

	<b>Allocation</b>	<b>2023/24 £</b>
Birmingham	0%	PFI
Coventry	17%	438,844
Dudley	19%	481,772
Sandwell	20%	509,183
Solihull	16%	415,829
Walsall	15%	383,245
Wolverhampton	14%	357,127
<b>TOTAL</b>	<b>100%</b>	<b>2,586,000</b>

## **7.0 Compliance with Treasury and Prudential Indicators (November Update)**

- 7.1 Appendix 6 provides details of the Treasury and Prudential indicators for the period ending 30 November 2023. This is being reported in accordance with the requirements of the 2021 CIPFA Prudential Code for Capital Finance in Local Authorities and 2021 CIPFA Treasury Management in the Public Services Code of Practice to help Members understand and evaluate the prudence and affordability of the Authority's capital expenditure plans and the borrowing and investment activities undertaken in support of this.
- 7.2 No difficulties are envisaged for the current or future years in complying with these indicators.
- 7.3 A detailed Treasury mid-year report was provided to ARAC on 4 December that detailed all investments and provided assurances of full compliance with the CIPFA Code of Practice and the WMCA Treasury Management Strategy. The report also highlighted that the re-forecasting of the capital programme in 2023/24 and the continuing significant level of grants received in advance, has meant that no further borrowing will need to be undertaken during the period of the current medium term financial plan. Consequently, WMCA will only look to borrow where there is a clear and obvious need with affordability and the "cost of carry" remaining the key influences on WMCA's borrowing strategy. This update provides continued assurance that all treasury management operations have been conducted in full compliance with the Council's Treasury Management Practices.

## **8.0 Investment Programme**

- 8.1 The financial results for the West Midlands Regional Investment Programme run behind the regular management accounts, due to the requirement to consolidate outputs across the metropolitan area.
- 8.2 The September 2023 expenditure for the West Midlands Regional Investment Programme is shown at Appendix 7, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily constituent member local authorities).

8.3 Appendix 8 summarises grant funding commitments approved by WMCA for projects within the WMCA Investment Programme, which total £853.7m as at 30th November 2023 (no overall change from the last reporting at WMCA Board).

8.4 WMCA Investment Programme funding drawn / incurred by projects against these funding commitments totals £549.7m.

## **9.0 CRSTS**

9.1 CRSTS funding formally approved and available to be utilised totalled £545.7m as of 30th November 2023. Expenditure incurred from within this funding formally approved totals £161.5m as at 30th September 2023. A breakdown of this total is provided in Appendix 9.

9.2 Earlier this year DfT gave all mayoral combined authorities receiving CRSTS funding the opportunity to make changes to their approved CRSTS capital programme, in recognition of the effects of high levels of inflation in recent years. Amendments to the West Midlands region CRSTS 1 programme were approved locally at the September 2023 sitting of WMCA Board. A re-baselined CRSTS programme has subsequently been submitted to DfT for their consideration.

9.3 The proposed re-baselined CRSTS programme extends the original £1.05bn programme to a £1.21bn programme, because DfT have allowed overprogramming to be included to cover the risk of some projects failing to drawdown all allocated CRSTS funding by the end of the first CRSTS settlement period.

## **10.0 Administered Funds**

10.1 Administered Funds totalled £78.0m as of 30 November 2023. The report excludes funds fully utilised and concluded by 31 March 2023. A breakdown of this amount is included within Appendix 10. Of this amount, £42.4m has been spent to date.

10.2 These funds do not form part of the Authority's own revenue and capital budgets but are effectively funds received by WMCA and passported to partner authorities for delivery.

10.3 Elements of the overarching grants listed at Appendix 10 which are not passported are excluded from this Appendix.

## **11.0 Balance Sheet**

11.1 Appendix 11 presents the West Midlands Combined Authority Balance Sheet which shows a healthy financial position as at 30 November 2023.

11.2 The increase in property, plant and equipment reflects TfWM capital spend in relation to the Metro extensions.

11.3 The reduction in short term debtors arises due to the lower Business Rates Growth income accrual following receipts from Constituent Local Authorities.

- 11.4 The decrease in short-term deposits arises because of payments in respect of AEB, CIF loans drawdown, PWLB loan and short-term loan repayments, Investment Programme and Metro extension schemes.
- 11.5 The loan repayments have led to a reduction in short-term loans while payments for AEB, PWLB loan, Investment Programme and Metro extension schemes contributed to a net decrease in grants receipts in advance and earmarked reserves.
- 11.6 Short-term creditors/accruals have decreased because of lower capital and revenue accruals following grant payments and receipt of invoices.

## **12.0 Financial Implications**

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

## **13.0 Legal Implications**

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

## **14.0 Other Implications**

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

## **15.0 Appendices**

- Appendix 1 – WMCA Consolidated Summary – November 2023
- Appendix 2 – WMCA Transport Revenue Summary - November 2023
- Appendix 3 – WMCA Portfolio Budget Summary – November 2023
- Appendix 4 – WMCA Mayor Revenue Summary – November 2023
- Appendix 5 – WMCA Capital Programme – November 2023
- Appendix 6 – Compliance with Treasury and Prudential Limits
- Appendix 7 – Total Regional Investment Programme Expenditure – September 2023
- Appendix 8 – WMCA Investment Programme Commitments – November 2023
- Appendix 9 – WMCA CRSTS Programme Commitments – November 2023
- Appendix 10 – WMCA Administered Funds – November 2023
- Appendix 11 – Balance Sheet – November 2023



## Appendix 1

### WMCA Consolidated Revenue Budget Summary – November 2023

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	79,570	79,570	0	119,355	119,355	0
Commonwealth Games	0	0	0	0	0	0
Revenue Grants & Other Income	32,179	30,886	1,293	83,636	44,141	39,495
Adult Education Funding	87,885	108,475	(20,590)	141,395	141,391	4
Share of Business Rates	0	0	0	12,000	12,000	0
Constituent Membership	3,096	3,096	0	4,644	4,644	0
Non Constituent Members	260	280	(20)	390	420	(30)
Investment Programme	4,646	0	4,646	36,500	36,500	0
Investment Income	5,298	3,141	2,157	7,290	4,712	2,578
Use of Reserves	7,103	7,005	98	9,311	9,201	110
<b>Total Funding</b>	<b>220,037</b>	<b>232,453</b>	<b>(12,416)</b>	<b>414,521</b>	<b>372,364</b>	<b>42,157</b>
Transport for West Midlands	83,979	86,043	2,063	128,963	128,557	(406)
Economic Delivery, Skills & Communities	111,046	139,840	28,794	197,134	186,554	(10,580)
Strategy, Integration and Net Zero	11,520	4,171	(7,349)	33,373	6,378	(26,995)
Housing & Regeneration	1,321	1,223	(98)	1,854	1,837	(17)
Portfolio Support	(1,864)	(2,104)	(240)	(3,755)	(4,274)	(519)
Investment Programme	9,345	2,612	(6,733)	42,892	40,418	(2,474)
Mayoral Office	505	584	79	807	894	87
Mayoral Election	0	0	0	0	0	0
<b>Total Expenditure</b>	<b>215,852</b>	<b>232,369</b>	<b>16,516</b>	<b>401,268</b>	<b>360,364</b>	<b>(40,904)</b>
<b>Net Expenditure (before earmarked reserves)</b>	<b>4,185</b>	<b>84</b>	<b>4,100</b>	<b>13,253</b>	<b>12,000</b>	<b>1,253</b>

The position at the end of November shows a surplus against budget of £4.1m. This comprises £2.2m within Transport and £1.9m within Portfolios. The full year position shows a surplus against budget of £1.3m which is made up of a £0.3m deficit within Transport and a surplus of £1.9m within Portfolios.

Apart from staff savings, the year to date position within Transport reflects additional government funding in the form of the Local Transport Fund (£1m) that has now been confirmed to support the bus network from April to June 2023. The LTF (Local Transport Fund) will be utilised for the increasing costs of the tendered bus service across the year, so the current year to date variation is expected to be eliminated by the end of the year. Within Concessions there are £2.4m of savings due to lower patronage and fares, of this £2.0m have been transferred to a risk reserve in recognition of significant pressures around the transport network in the coming year. In addition, there are savings of £0.4m within the Child Concessions budget which have been allocated against the efficiency target of £3m in year.

The full year position within Transport reflects savings within the Metro budget of £0.9m relating to the Midland Metro Subsidy and the Child Concessions budget of £0.4m offset by unbudgeted Metro car body costs of £1.8m.

To date £2.0m of a £3.0m efficiency target has been identified, made up of £1.1m within the Rail budget largely due to the timing of station openings, £0.8m within the Child Concessions budget and £0.1m within the Accessible Transport budget.

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

There remain underspends against the grants within Economic Skills and Communities totalling £27.2m to date, including AEB, Multiply, Digital Skills and UKSPF. This under-spend has reduced over the last 2 months and is expected to be recovered by the end of the year.

The full year position within Portfolios reflects new grant income within the Economy & Innovation and Health and Communities portfolios which has freed up local funding along with savings against establishment costs and external advice budgets.

## Appendix 2

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

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

	Year To Date			Full Year		
	Actual £'000	Budget £'000	Variance £000	Forecast £000	Budget £'000	Variance £000
Transport Levy	79,570	79,570	(0)	119,355	119,355	(0)
Business Rates	0	0	0	4,674	4,674	(0)
Use of Reserves	7,103	7,005	97	9,311	9,201	110
<b>Total Funding</b>	<b>86,673</b>	<b>86,575</b>	<b>97</b>	<b>133,340</b>	<b>133,229</b>	<b>110</b>
National Bus Concession	(29,273)	(29,296)	23	(47,279)	(47,251)	(29)
Metro / Rail	(3,052)	(3,049)	(3)	(4,576)	(4,572)	(4)
Child Concession	(3,698)	(4,125)	427	(6,423)	(7,162)	740
<b>Concessions</b>	<b>(36,023)</b>	<b>(36,471)</b>	<b>448</b>	<b>(58,278)</b>	<b>(58,985)</b>	<b>707</b>
Bus Stations / Infrastructure	(4,133)	(3,939)	(193)	(7,596)	(7,374)	(222)
Subsidised Network	(8,813)	(9,524)	711	(14,155)	(14,255)	100
Accessible Transport	(4,435)	(4,455)	20	(6,579)	(6,630)	51
<b>Bus Services</b>	<b>(17,381)</b>	<b>(17,918)</b>	<b>538</b>	<b>(28,330)</b>	<b>(28,259)</b>	<b>(70)</b>
Metro Services	(7,041)	(7,006)	(35)	(11,831)	(11,115)	(715)
Rail Services	(2,252)	(2,739)	488	(4,306)	(5,563)	1,258
<b>Rail and Metro Services</b>	<b>(9,293)</b>	<b>(9,746)</b>	<b>452</b>	<b>(16,136)</b>	<b>(16,679)</b>	<b>543</b>
Safety and Security	(1,833)	(1,848)	15	(924)	(867)	(57)
Passenger Information	(4,050)	(4,205)	155	(6,353)	(6,620)	267
Sustainable Travel	(1,365)	(1,255)	(111)	(2,061)	(1,891)	(170)
<b>Integration</b>	<b>(7,248)</b>	<b>(7,308)</b>	<b>60</b>	<b>(9,338)</b>	<b>(9,378)</b>	<b>40</b>
Network Resilience	(1,873)	(2,079)	206	(3,209)	(3,305)	97
Business and Democratic Support	(2,754)	(2,948)	194	(4,295)	(4,605)	311
Strategic Development	(2,578)	(2,736)	158	(4,431)	(4,391)	(40)
Transport Governance	(86)	(94)	8	(137)	(141)	4
Capital Finance Charges	(6,742)	(6,742)	(0)	(10,485)	(10,485)	(0)
Efficiency Target	0	0	0	1,002	3,000	(1,998)
<b>Total Expenditure</b>	<b>(83,978)</b>	<b>(86,042)</b>	<b>2,064</b>	<b>(133,636)</b>	<b>(133,229)</b>	<b>(407)</b>
<b>Net Surplus / Deficit</b>	<b>2,694</b>	<b>533</b>	<b>2,161</b>	<b>(297)</b>	<b>0</b>	<b>(297)</b>

### Concessions

Savings in year within the ENCTS and Child concessions budgets are due to a lower service provision. To date savings within the ENCTS budget of £2.0m that have occurred due to a lower service provision have been transferred to a risk reserve in recognition of significant pressures around the transport network in the coming year. Savings within the Child concessions budget will be allocated to the efficiency target, it is anticipated that there will be £0.8m of savings by the end of the year.

### Bus Services

The Tendered Bus Services budget has a favourable variance of £0.7m at the end of November, largely due to Local Transport (LTF) grant relating to the first quarter of the year. This is expected to be offset by an increase in contractual costs expected in the later part of the year.

Within the Bus Stations & Infrastructure budget the over-spend in year is largely due to lower departure charges in year and higher establishment costs in the short term due to an organisational restructure.

### **Rail & Metro**

The full year position within Rail Services reflects a reduction in the operational rail budget within Transport of £1.3m largely due to the timing of the station openings. Of these savings £1.1m will be allocated to the efficiency target.

Within the Metro budget the full year position reflects car body costs of £1.4m that were not budgeted but will now be accommodated within the year partly offset by a saving against the Midland Metro Subsidy of £0.9m.

### **Integration**

Within the Passenger Information budget there are savings mainly relating to software and bank charges that are partly offset by lower commission receivable.

The over spend within Sustainable Travel relates to the West Midlands Cycle Hire scheme due to lower than budgeted income.

### **Network Resilience**

There is a current under-spend relating to the timing of External Advice expenditure of £0.2m.

### **Strategic Development**

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

### **Efficiency Target**

A £3.0m efficiency target is included within the full year budget. To date savings of £2.0m have been ear marked leaving £1.0m still to be delivered. Savings to date are within the Rail Services (£1.1m), Child Concessions (£0.8m) and the Ring and Ride (£0.1m) budgets.

### **Reserves**

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

## Appendix 3

### West Midlands Combined Authority Portfolios Budget – November 2023

	NOVEMBER 2023 YEAR TO DATE			FULL YEAR 2023/24				
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
<b>Operational Income</b>								
Mayoral Capacity Funding	0	0	0	87	87	0	The full year position reflects budgeted investment income that will be re-prioritised.  Non-Constituent member fees are lower than budgeted as Coventry & Warwickshire and The Marches LEPs have indicated their intention to withdraw non-constituent membership from WMCA resulting in an under collection of budgeted income.	
Other Revenue Income	0	250	(250)	0	500	(500)		
Notional Interest Receivable	599	529	70	898	794	104		
Business Rates Growth Income	0	0	0	7,326	7,326	0		
Contribution - 7 Met Council's	3,096	3,096	0	4,644	4,644	0		
Contribution - Non constituent members	260	280	(20)	390	420	(30)		
<b>Total Income</b>	<b>3,955</b>	<b>4,155</b>	<b>(200)</b>	<b>13,345</b>	<b>13,771</b>	<b>(426)</b>		
Corporate Support Recharges to Portfolios	1,864	1,854	10	(3,572)	(3,553)	(19)		
<b>Total Expenditure</b>	<b>1,864</b>	<b>1,854</b>	<b>10</b>	<b>(3,572)</b>	<b>(3,553)</b>	<b>(19)</b>		
<b>Operational Income Net Total</b>	<b>5,819</b>	<b>6,009</b>	<b>(190)</b>	<b>9,773</b>	<b>10,218</b>	<b>(445)</b>		
<b>Economy &amp; Innovation</b>								
Other Industrial Strategy Income	1,697	882	815	3,724	1,323	2,401	New grant funding has been secured and activity re-aligned since the budget was set creating projected full year savings of £1.3m. The new grant income largely relates to the British Film Industry (BFI).	
Create Central Projects	160	0	160	434	0	434		
Policy and Programme Development	102	0	102	102	0	102		
IAWM	(50)	0	(50)	0	0	0		
<b>Total Income</b>	<b>1,909</b>	<b>882</b>	<b>1,027</b>	<b>4,260</b>	<b>1,323</b>	<b>2,937</b>		
Industrial Strategy	(1,942)	(1,344)	(598)	(4,206)	(2,016)	(2,190)		
DDCMS - Creative Scale Up	12	0	12	0	0	0		
Economic Delivery	(129)	(315)	186	(257)	(472)	215		
Create Central Projects	(160)	(610)	450	(434)	(916)	482		
Policy and Programme Development	(102)	0	(102)	(102)	0	(102)		
Funding For Growth	(467)	(467)	0	(700)	(700)	0		
<b>Total Expenditure</b>	<b>(2,788)</b>	<b>(2,736)</b>	<b>(52)</b>	<b>(5,699)</b>	<b>(4,104)</b>	<b>(1,595)</b>		
<b>Economy &amp; Innovation Net Total</b>	<b>(879)</b>	<b>(1,854)</b>	<b>975</b>	<b>(1,439)</b>	<b>(2,781)</b>	<b>1,342</b>		
<b>Health and Communities</b>								
Head of Health & Communities	3	0	3	40	0	40	Savings are largely due to the vacant posts and the timing of External Advice expenditure.	
Thrive at Work	227	312	(85)	339	351	(12)		
IPS Programme	2,386	39	2,347	3,727	39	3,688		
<b>Total Income</b>	<b>2,616</b>	<b>351</b>	<b>2,265</b>	<b>4,106</b>	<b>390</b>	<b>3,716</b>		
Head of Health & Communities	(259)	(545)	286	(531)	(818)	287		
Thrive at Work	(227)	(262)	35	(339)	(387)	48		
IPS Programme	(2,386)	(102)	(2,284)	(3,727)	(153)	(3,574)		
<b>Total Expenditure</b>	<b>(2,872)</b>	<b>(909)</b>	<b>(1,963)</b>	<b>(4,597)</b>	<b>(1,358)</b>	<b>(3,239)</b>		
<b>Health and Communities Net Total</b>	<b>(256)</b>	<b>(558)</b>	<b>302</b>	<b>(491)</b>	<b>(968)</b>	<b>477</b>		
<b>Employment and Skills</b>								
Employment & Skills	32	0	32	64	0	64	The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.	
Construction Skills	46	73	(27)	77	142	(65)		
Adult Education	87,885	108,475	(20,590)	141,395	141,391	4		
Careers	196	137	59	554	137	417		
Digital Skills	4,279	12,093	(7,814)	15,811	15,647	164		
Commonwealth Games	3	0	3	15	0	15		
European Structural & Investment Funding	858	863	(5)	967	994	(27)		
Multiply	1,192	4,287	(3,095)	5,849	5,838	11		
UKSPF	9,397	8,467	930	19,315	14,252	5,063		
Health Foundation	91	297	(206)	304	417	(113)		
DBT Growth Hub	234	0	234	670	0	670		
<b>Total Income</b>	<b>104,213</b>	<b>134,692</b>	<b>(30,479)</b>	<b>185,021</b>	<b>178,818</b>	<b>6,203</b>		
Employment & Skills	(776)	(1,086)	310	(1,310)	(1,649)	339		
Construction Skills	(46)	(73)	27	(77)	(142)	65		
Adult Education	(87,885)	(108,475)	20,590	(141,395)	(141,391)	(4)		
Careers	(196)	(137)	(59)	(554)	(137)	(417)		
Digital Skills	(4,279)	(12,093)	7,814	(15,811)	(15,647)	(164)		
Commonwealth Games	(3)	0	(3)	(15)	0	(15)		
European Structural & Investment Funding	(858)	(863)	5	(967)	(994)	27		
Multiply	(1,192)	(4,287)	3,095	(5,849)	(5,838)	(11)		
UKSPF	(9,397)	(8,467)	(930)	(19,315)	(14,252)	(5,063)		
Health Foundation	(91)	(297)	206	(304)	(417)	113		
DBT Growth Hub	(234)	0	(234)	(670)	0	(670)		
West Midlands 5G	(417)	(417)	0	(625)	(625)	0		
<b>Total Expenditure</b>	<b>(105,374)</b>	<b>(136,195)</b>	<b>30,821</b>	<b>(186,892)</b>	<b>(181,092)</b>	<b>(5,800)</b>		
<b>Employment and Skills Net Total</b>	<b>(1,161)</b>	<b>(1,503)</b>	<b>342</b>	<b>(1,871)</b>	<b>(2,274)</b>	<b>403</b>		
<b>Levelling Up</b>								
Office of Data Analytics	60	0	60	60	0	60	The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.  The forecast over-spend relates to new roles.	
Head of Policy & Public Affairs	92	37	55	89	60	29		
Commonwealth Games Legacy Fund	5,113	0	5,113	23,719	0	23,719		
<b>Total Income</b>	<b>5,265</b>	<b>37</b>	<b>5,228</b>	<b>23,868</b>	<b>60</b>	<b>23,808</b>		
Office of Data Analytics	(173)	(104)	(69)	(175)	(180)	5		
Executive Director of Strategy, Integration and Ne	(267)	(225)	(42)	(494)	(351)	(143)		
Head of Research & Intelligence	(173)	(208)	35	(471)	(350)	(121)		
Head of Policy & Public Affairs	(295)	(375)	80	(588)	(558)	(30)		
Commonwealth Games Legacy Fund	(5,113)	0	(5,113)	(23,719)	0	(23,719)		
Public Affairs	(89)	(113)	24	(134)	(169)	35		
<b>Total Expenditure</b>	<b>(6,110)</b>	<b>(1,025)</b>	<b>(5,085)</b>	<b>(25,581)</b>	<b>(1,608)</b>	<b>(23,973)</b>		
<b>Levelling Up Net Total</b>	<b>(845)</b>	<b>(988)</b>	<b>143</b>	<b>(1,713)</b>	<b>(1,548)</b>	<b>(165)</b>		

	NOVEMBER 2023 YEAR TO DATE			FULL YEAR 2023/24			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Inclusive Communities</b>							
Homelessness	366	261	105	464	470	(6)	The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.
<b>Total Income</b>	<b>366</b>	<b>261</b>	<b>105</b>	<b>464</b>	<b>470</b>	<b>(6)</b>	
Head of Systems Change & Inclusion	(171)	(226)	55	(299)	(371)	72	
Youth Combined Authority	(142)	(162)	20	(312)	(278)	(34)	
Homelessness	(412)	(302)	(110)	(506)	(509)	3	
Inclusion	(114)	(127)	13	(249)	(260)	11	
<b>Total Expenditure</b>	<b>(839)</b>	<b>(817)</b>	<b>(22)</b>	<b>(1,366)</b>	<b>(1,418)</b>	<b>52</b>	
<b>Inclusive Communities Net Total</b>	<b>(473)</b>	<b>(556)</b>	<b>83</b>	<b>(902)</b>	<b>(948)</b>	<b>46</b>	
<b>Culture and Digital</b>							
Culture	91	204	(113)	277	272	5	The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.
Tourism, Trade and Investment Programme	1,303	407	896	1,391	407	984	
DCIA	34	0	34	0	0	0	
<b>Total Income</b>	<b>1,428</b>	<b>611</b>	<b>817</b>	<b>1,668</b>	<b>679</b>	<b>989</b>	
Culture	(167)	(319)	152	(461)	(446)	(15)	
Digital	(95)	(149)	54	(222)	(215)	(7)	
Tourism, Trade and Investment Programme	(1,303)	(407)	(896)	(1,391)	(407)	(984)	
DCIA	(34)	0	(34)	0	0	0	
<b>Total Expenditure</b>	<b>(1,599)</b>	<b>(875)</b>	<b>(724)</b>	<b>(2,074)</b>	<b>(1,068)</b>	<b>(1,006)</b>	
<b>Culture and Digital Net Total</b>	<b>(171)</b>	<b>(264)</b>	<b>93</b>	<b>(406)</b>	<b>(389)</b>	<b>(17)</b>	
<b>Environment &amp; Energy, HS2</b>							
Environment	348	225	123	967	336	631	The forecast over-spend largely relates to establishment costs.
Community Green	301	277	24	330	353	(23)	
<b>Total Income</b>	<b>649</b>	<b>502</b>	<b>147</b>	<b>1,297</b>	<b>689</b>	<b>608</b>	
Environment	(663)	(720)	57	(1,978)	(1,201)	(777)	
Community Green	(301)	(277)	(24)	(330)	(353)	23	
<b>Total Expenditure</b>	<b>(964)</b>	<b>(997)</b>	<b>33</b>	<b>(2,308)</b>	<b>(1,554)</b>	<b>(754)</b>	
<b>Environment &amp; Energy, HS2 Net Total</b>	<b>(315)</b>	<b>(495)</b>	<b>180</b>	<b>(1,011)</b>	<b>(865)</b>	<b>(146)</b>	
<b>Energy Capital</b>							
Energy Capital	215	208	7	240	284	(44)	The current underspend relates to the profiling of external advice spend. New grant income has been secured within Net Zero Neighbourhood.
Net Zero Neighbourhood	1,567	0	1,567	1,413	0	1,413	
<b>Total Income</b>	<b>1,782</b>	<b>208</b>	<b>1,574</b>	<b>1,653</b>	<b>284</b>	<b>1,369</b>	
Energy Capital	(412)	(418)	6	(582)	(670)	88	
Net Zero Neighbourhood	(1,597)	(40)	(1,557)	(1,462)	(60)	(1,402)	
<b>Total Expenditure</b>	<b>(2,009)</b>	<b>(458)</b>	<b>(1,551)</b>	<b>(2,044)</b>	<b>(730)</b>	<b>(1,314)</b>	
<b>Energy Capital Net Total</b>	<b>(227)</b>	<b>(250)</b>	<b>23</b>	<b>(391)</b>	<b>(446)</b>	<b>55</b>	
<b>Housing &amp; Regeneration</b>							
Director of Housing & Regeneration	1,334	1,225	109	1,854	1,837	17	The position is largely in line with budget.
<b>Total Income</b>	<b>1,334</b>	<b>1,225</b>	<b>109</b>	<b>1,854</b>	<b>1,837</b>	<b>17</b>	
Director of Housing & Regeneration	(1,334)	(1,225)	(109)	(1,854)	(1,837)	(17)	
<b>Total Expenditure</b>	<b>(1,334)</b>	<b>(1,225)</b>	<b>(109)</b>	<b>(1,854)</b>	<b>(1,837)</b>	<b>(17)</b>	
<b>Housing &amp; Regeneration Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Portfolio Net Total</b>	<b>1,492</b>	<b>(459)</b>	<b>1,951</b>	<b>1,549</b>	<b>0</b>	<b>1,549</b>	

## Appendix 4

### West Midlands Combined Authority Mayoral Budget – November 2023

	NOVEMBER YEAR TO DATE			FULL YEAR 2023/24		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Other Grants	535	593	(58)	860	894	(34)
Other Income	51	52	(0)	103	52	51
<b>TOTAL INCOME</b>	<b>586</b>	<b>645</b>	<b>(59)</b>	<b>963</b>	<b>945</b>	<b>17</b>
Staff Costs	516	559	43	802	839	(37)
Travel & Subsistence	10	26	16	46	43	3
Other	9	8	(1)	12	12	(0)
Mayoral Events	51	45	(6)	103	52	51
<b>TOTAL EXPENDITURE</b>	<b>586</b>	<b>638</b>	<b>52</b>	<b>964</b>	<b>946</b>	<b>17</b>
<b>NET MAYORAL BUDGET</b>	<b>0</b>	<b>7</b>	<b>(6)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

## Appendix 5

### WMCA Consolidated Capital Programme Year to Date Position

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

#### WMCA Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Metro Birmingham Eastside Extension	25,925	43,467	17,541	49,598	65,007	15,409	The forecast variance reflects funding available for Target Cost 2 (TC2) and changes in delivery scope. 2023/24 expenditure will be significantly reduced largely due to land which will not be vested until later in the Programme alongside reduced construction and utilities works.
Metro Network Enhancements	6,412	14,899	8,487	14,115	27,066	12,951	There is an in year under-spend relating to the advance work package due delays to agreeing certain technical features and the completion of detailed design on the Wednesbury Depot project (£3m). There is also a prolonged procurement challenge on Metro Line 1 renewals project resulting in a £1.7m deferment into next financial year. A further £1.3m has been deferred to next financial year on the Traction Power Phase 2 project due to the updated phasing from the approved Target costs in May 2023.
Metro Edgbaston Extension	1,789	3,042	1,253	3,440	3,665	224	Current underspend as a result of revised delivery schedule. Year to date underspend largely due to construction, design and contingency not used.
Metro Wednesbury to Brierley Hill Extension	59,673	64,295	4,622	103,477	97,997	(5,480)	Variance largely because construction works have progressed slightly quicker than anticipated.
Metro Wolverhampton City Centre Extension	4,968	8,020	3,052	9,432	9,432	(0)	Largely due to the timing of payment for land that has been acquired and the timing of contingency drawdown and activity within the urban realm budget.
Buy Before Boarding	1,127	2,985	1,857	3,644	5,210	1,566	TC2 approval was obtained later than originally anticipated and Ticket vending machine (TVM) payments are expected next financial year.
Metro Centenary Square Extension	51	617	566	108	617	509	The current underspend due to revised delivery schedule and is expected to be recovered over the year.
Metro - Other	1,977	3,091	1,114	1,760	4,073	2,313	The full year variance reflects the latest delivery programme in relation to Smart tram works.
<b>Total Metro Schemes</b>	<b>101,923</b>	<b>140,416</b>	<b>38,492</b>	<b>185,574</b>	<b>213,066</b>	<b>27,492</b>	
£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Rail Stations	6,846	11,661	4,815	12,166	12,189	23	The current under-spend is largely due to compensation events relating to University Station (£1.5m) where evidence has not been provided by the contractual partner. £3.2m underspend on the Perry Barr rail station largely due to non utilisation of the contingency and physical construction costs differed to end Q3.
Rail Package 1	6,881	6,713	(168)	16,134	16,134	(0)	
Park and Ride	0	4	4	250	500	250	The SOC submitted by Coventry City Council earlier this year (post budget) has provided us with a breakdown of the CRSTS fund phasing for this project. Only £250k is expected to be spent this financial year and the rest of the approved funding next year.
Rail Package 2	20,897	22,360	1,463	36,944	36,944	(0)	Variances largely due to construction partner full costs has been not reflected as project team are awaiting for the updated costs information.
Very Light Rail	0	225	225	225	600	375	Minor variance is due recruitment process timing differences.
Rail Development	0	0	0	0	100	100	
Dudley Port Integrated Transport Hub	41	335	294	129	450	321	The current variance reflects the latest programme schedule.
Aldridge Station	50	1,123	1,073	1,018	2,015	996	The variance from budget reflects the timing of the Strategic Outline Business Case approval.
Rail - Other	2	191	189	177	359	182	
<b>Total Rail Schemes</b>	<b>34,718</b>	<b>42,612</b>	<b>7,894</b>	<b>67,042</b>	<b>69,290</b>	<b>2,247</b>	
£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
National Productivity Investment Fund	981	1,158	177	1,170	1,170	0	
Clean Bus	902	1,124	222	4,766	6,226	1,461	Forecast variance due to Coventry Electric Bus City WMTL single decker bus project detail yet to be agreed with has resulted in the slippage into next financial year.
Cross City Bus	807	1,749	942	2,469	2,508	39	The timing of activity means that costs are expected to accelerate in the later part of the year.
East Birmingham to Solihull Corridor	84	277	193	311	499	189	
BSIP Bus Priority Cross City Routes	733	2,328	1,595	1,793	3,110	1,317	Variance is largely due to BSIP Cross City priority (Package 5 Harborne to Castle Bromwich), design work contract process is expected to complete by the end of the year.
Bus Station/Interchange	1,507	1,894	387	2,935	3,139	204	Underspend against the YTD budget mainly due to design work developed to RIBA (Royal Institute of British Architects) stage 4 and land acquisition works happening slower than anticipated.
Demand Responsive Bus	0	4	4	0	6	6	
BSIP Retrofit Programme	0	0	0	500	500	0	
<b>Total Bus Schemes</b>	<b>5,014</b>	<b>8,535</b>	<b>3,521</b>	<b>13,944</b>	<b>17,159</b>	<b>3,216</b>	



## WMCA Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Hagley Road	46	693	646	485	2,420	1,935	Variance is largely due to timing of the budget profile , forecast reflects the current financial year spend.
Hall Green to Interchange via Solihull	0	101	101	202	202	0	
Longbridge to Birmingham	0	38	38	57	57	0	
Sprint Ph2 A45	3,442	4,610	1,168	4,311	8,202	3,890	
Sprint Ph2 A34	1,518	2,979	1,461	3,506	7,465	3,959	Variance largely due to timing, including slippage on design costs and utility costs are differed into next financial year.
Sprint A45	627	1,126	499	663	1,420	757	
Sprint A34	534	(228)	(761)	131	304	173	
Hagley Road Rapid Transit	0	0	0	600	0	(600)	Variance largely due to forecast phasing, this expected to be in line with forecast by the end of the year.
<b>Total Sprint Schemes</b>	<b>6,167</b>	<b>9,319</b>	<b>3,152</b>	<b>9,955</b>	<b>20,070</b>	<b>10,115</b>	
£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Air Quality	0	0	0	0	990	990	Due to the national review conducted by DEFRA, the budget has been deferred to next financial year.
Better Streets Community Fund	91	0	(91)	141	141	0	Minor Variance
Electric Vehicles	237	1,950	1,713	5,392	5,614	222	Primarily due to the Ultra Rapid Charging Transit station where the acquisition of land is later than anticipated. There is potential for up to 3 sites to be acquired by the end of the financial year, there are ongoing discussion with site owners and land acquisition specialists.
Priority One Development	221	253	32	690	690	(0)	
Walk Cycle Bus	0	0	0	0	0	0	
Swift ceMV Contactless Payment Broker	936	2,108	1,172	1,299	4,082	2,783	Variance reflects the latest expected contracts award date costs and roll out of TVM (ticket Vending Machine).
<b>Total Sustainable Travel</b>	<b>1,485</b>	<b>4,311</b>	<b>2,825</b>	<b>7,522</b>	<b>11,517</b>	<b>3,995</b>	
£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
KRN/MRN	32	250	218	607	607	(0)	Project costs have been deferred to next financial year, this will be reflected in the next re-forecast.
Highways - Other	488	825	337	1,736	1,891	154	The original budget assumed the business case would be approved earlier. As this has taken longer than anticipated, the project is still in the development phase. Following procurement activities, the project is now expected to commence in January 2024
<b>Total Highways</b>	<b>520</b>	<b>1,075</b>	<b>555</b>	<b>2,344</b>	<b>2,498</b>	<b>154</b>	
£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
FMZ	1,659	3,506	1,847	3,120	5,600	2,480	Variance largely comprises FTZWP3.4 - Digital Twins ,the Regional Strategic Modelling and Insight Tool (£500k). Build phase is 18 months with completion of the project expected 2025 and FTZW5.2 waiting for planning approval for the cross street site , post approval hub design and development will be beginning in Q4.
RTCC	1,740	3,201	1,461	3,856	3,856	0	The YTD variance is due to the timing of the Mobility as a Service (MaaS) app development
RTI	(9)	177	186	584	584	0	
Scheme Development and M and E	559	930	372	1,112	1,688	576	Variance driven by vacant posts where recruitment has not yet taken place.
Digital and Data - Other	222	337	115	337	337	0	
<b>Total Digital &amp; Data</b>	<b>4,171</b>	<b>8,152</b>	<b>3,981</b>	<b>9,009</b>	<b>12,065</b>	<b>3,056</b>	

## WMCA Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Asset Management	958	1,367	409	2,188	2,188	0	Variance due to Real Time Information (RTI) due later than anticipated work on content management system now included in the project. In addition bus shelter programme is behind schedule due to supplier prioritising other main projects for WMCA.
Transport - Other	0	0	0	49	49	0	
<b>Total Other</b>	<b>958</b>	<b>1,367</b>	<b>409</b>	<b>2,237</b>	<b>2,237</b>	<b>0</b>	
<b>Total Transport Capital Programme</b>	<b>154,957</b>	<b>215,786</b>	<b>60,829</b>	<b>297,627</b>	<b>347,902</b>	<b>50,275</b>	
£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Brownfield Land Fund	2,010	14,459	12,449	6,297	31,472	25,175	This variance is driven by a number of projects including Stratford Gateway, which is a pipeline project not yet approved, where the timing of activity is driving the variance.
Housing Land Fund	1,874	2,519	645	4,039	5,719	1,680	The variance is largely due a transfer of project support costs between LF Pipeline and BHF Pipeline and NCF Pipeline.
National Competitive Fund	189	1,795	1,606	222	2,568	2,347	The variance is largely due a transfer of project support costs between LF Pipeline and BHF Pipeline and NCF Pipeline.
Land Remediation Fund	12,601	21,739	9,138	25,223	27,689	2,466	In the main the variance reflects the latest delivery programme relating to the Phoenix 10 scheme within the Black Country Land and Property Investment Fund.
<b>Total Housing &amp; Regeneration Schemes</b>	<b>16,674</b>	<b>40,511</b>	<b>23,837</b>	<b>35,780</b>	<b>67,448</b>	<b>31,668</b>	
£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Social Housing	5,389	4,979	(410)	6,029	6,029	0	Variance largely attributed due to under estimated budgeted by registered providers.
Sustainable Warmth	499	1,621	1,122	586	1,621	1,035	Variances mainly due to private residents dropping out of the programme and there has also been difficulty with the supply chain on external wall installation due to timescales and national demand.
Net Zero - Other	0	33	33	158	158	0	
<b>Total Net Zero Schemes</b>	<b>5,889</b>	<b>6,633</b>	<b>745</b>	<b>6,772</b>	<b>7,807</b>	<b>1,035</b>	
<b>Total WMCA Delivered Schemes</b>	<b>177,519</b>	<b>262,931</b>	<b>85,411</b>	<b>340,179</b>	<b>423,157</b>	<b>82,978</b>	

## Externally Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
<b>Rail - External</b>							
Very Light Rail - External	2,545	2,820	276	8,607	6,329	(2,277)	This project is retained by DfT, who in Summer 2023 confirmed the release of further funding to be immediately available to the project, thus the annual forecast to budget variance is not indicative of cost over runs. This has allowed an acceleration of forecast works and expenditure. £Nil funding presently approved. Expenditure budgeted to be incurred from October 23 now deferred and expected to commence from January 2024. An OBC submissions from SMBC to WMCA is expected imminently, for review and appraisal.
Solihull Rail Station	0	250	250	0	750	750	
<b>Total Rail</b>	<b>2,545</b>	<b>3,070</b>	<b>526</b>	<b>8,607</b>	<b>7,079</b>	<b>-1,527</b>	
<b>Bus - External</b>							
East Birmingham to Solihull Corridor - External	132	267	135	750	1,000	250	The latest Local Authority return has pushed expenditure into 24/25. Funding for Dorridge Bus Priority is yet to be formally approved due to CRSTS re-baselining exercise. Therefore, capital expenditure is now expected to be incurred from 2024/25 financial year onwards.
UKC - Solihull - Dorridge Bus Priority	0	167	167	0	500	500	
<b>Total Bus</b>	<b>132</b>	<b>433</b>	<b>301</b>	<b>750</b>	<b>1,500</b>	<b>750</b>	
<b>Grants to Local Authorities - Transport</b>							
City Centre Regeneration	7,586	45,463	37,877	12,886	51,688	38,802	Variance primarily due to Coventry City Centre South Regeneration reflecting the latest delivery schedule in regard to the acquisition of land necessary for assembly of the project and completion of demolition works.
Cycling and Walking	1,951	4,441	2,490	10,842	10,981	139	Actual Variance comprises ATF3- SAN321 -Phase 1 Wednesbury Brierley Hill Extension - local connections for cycling and walking, schemes are starting later than anticipated and ATF3- SOL321-Solihull - Walking Improvements actual claim is lower than budgeted.
Highways	980	1,879	899	2,291	2,291	(0)	Minor variance on the variance different projects, costs are expected to accelerate in the later part of the year.
Highways Maintenance	18,465	18,465	0	27,697	27,697	0	
Local Network Improvement Plan	10,690	10,690	0	16,035	16,035	0	
Very Light Rail - External Grants	0	0	0	0	0	0	
Grants to Local Authorities - Other	1,796	2,452	656	4,138	5,150	1,012	An overarching change request for the UK Central Infrastructure Package was approved by Investment Board earlier this year and has resulted in some current year spend being deferred to future years
HS2 Enabling	983	1,840	857	1,930	4,464	2,534	Due to central government deciding to no longer go ahead with HS2 phase 2, the related HS2 projects are deferring spend to next year while a review of the HS2 programme is being undertaken. There are also several change requests being processed which contribute to project cost slippage.
<b>Grants to Local Authorities - Transport</b>	<b>42,451</b>	<b>85,230</b>	<b>42,779</b>	<b>75,819</b>	<b>118,306</b>	<b>42,487</b>	



## Appendix 6

### Compliance with Treasury and Prudential Limits

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

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

#### Treasury Management Indicators

£M	Treasury Management Strategy Indicator 2023/24	As at 30.11.2023
Authorised Limit for External Debt <sup>1</sup>	1,032	1,032
Operational Boundary for External Debt <sup>2</sup>	982	982

£M	Budget 2023/24	As at 30.11.2023
Forecast Gross External Debt as at 31.03.2024	598	598
Forecast Investments as at 31.03.2024	375	728
<b>Net Borrowing (Gross External Debt LESS Forecast Investments)<sup>3</sup></b>	<b>223</b>	<b>(130)</b>

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

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

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

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

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

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

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

## Prudential Indicators

£'000	2023/24 Budget	31.03.2023 Actual	As at 30.11.2023
Capital Expenditure	593,915	347,014	168,569
Capital Financing Requirement (CFR)	840,258	624,191	707,373
Annual/(YTD) Change in CFR	216,017	63,621	83,182
In year borrowing requirement	100,000	65,000	100,000
Ratio of financing costs to net revenue stream <sup>4</sup>	-1.71%	1.22%	-5.20%

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

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

Appendix 7

Total Regional Investment Programme Expenditure – September 2023

PROGRAMME	COST TO COMPLETION			
	PRIOR PERIOD SPEND	2023 / 2024 FORECAST OUTTURN	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN
	£000	£000	£000	£000
COVENTRY UKC PLUS	274,802	8,643	430,657	714,103
SPRINT PROGRAMME	96,982	1,537	193,837	292,356
RAIL PROGRAMME	73,367	56,755	104,242	234,364
METRO PROGRAMME	603,798	164,555	1,130,985	1,899,338
UK CENTRAL INFRASTRUCTURE PACKAGE	220,076	19,320	1,126,238	1,365,634
UK CENTRAL HS2 INTERCHANGE	43,346	2,189	582,208	627,742
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>1,312,371</b>	<b>252,998</b>	<b>3,568,168</b>	<b>5,133,537</b>
COVENTRY CITY CENTRE SOUTH REGENERATION	87,587	19,583	263,445	370,615
INNOVATION PROGRAMME	43,265	2,044	151,630	196,939
LAND RECLAMATION AND REMEDIATION	67,381	25,227	107,392	200,000
COMMONWEALTH GAMES 2022	78,348	-	-	78,348
EMPLOYMENT, EDUCATION & SKILLS	1,312	-	18,687	20,000
BUSINESS AND TOURISM PROJECT - BATP	22,533	1,415	-	23,948
COVENTRY ELECTRIC BUS CITY	21,273	3,480	114,747	139,500
REGIONAL RECOVERY & RISKS	13,393	7,847	28,667	49,906
COLLECTIVE INVESTMENT FUND	123,482	36,335	840,183	1,000,000
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>458,573</b>	<b>95,932</b>	<b>1,524,751</b>	<b>2,079,256</b>
<b>GRAND TOTAL</b>	<b>1,770,945</b>	<b>348,930</b>	<b>5,092,919</b>	<b>7,212,793</b>

## Appendix 8

### WMCA Investment Programme Commitments – November 2023

(£'000)	WMCA IP Commitments	
WMCA Investment Programme Commitment	Approved Commitments	Actual Spend To Date
Coventry UK Central Plus	94,805	94,344
Sprint Programme	47,034	43,080
Rail Programme	63,026	25,371
Metro Programme	227,030	115,722
UK Central Infrastructure Package	35,128	28,434
UK Central HS2 Interchange	57,539	42,552
<b>Subtotal - HS2 Growth Strategy</b>	<b>524,562</b>	<b>349,503</b>
Coventry City Centre South Regeneration	149,954	67,386
Innovation Programme	16,131	14,997
Land Reclamation and Remediation	103,040	73,672
Commonwealth Games 2022	25,000	25,000
Employment, Education & Skills	1,312	1,312
Business and Tourism Project - B ATP	2,600	2,094
Coventry Electric Bus City	5,000	604
Regional Recovery & Risks	26,150	15,132
<b>Subtotal - Other IP Schemes</b>	<b>329,187</b>	<b>200,198</b>
<b>Grand Total</b>	<b>853,749</b>	<b>549,701</b>



## Appendix 9

### WMCA CRSTS Programme Commitments – November 2023

CRSTS COMMITMENTS (£m)		Funding Approved	Spent to Date
WMCA Delivered Schemes	Bus	96.53	0.88
	Digital and Data	7.00	0.38
	LNIP Top Slice	27.33	5.47
	Metro	275.00	50.73
	Rail	75.63	0.05
	Sprint	92.50	35.10
	Sustainable Travel	40.60	0.90
<b>Total WMCA Delivered Schemes</b>		<b>614.59</b>	<b>93.49</b>
Externally Delivered Schemes	Bus	21.90	0.14
	Rail	65.00	5.73
	Sustainable Travel	313.60	1.97
<b>Total Externally Delivered Schemes</b>		<b>400.50</b>	<b>7.83</b>
Grants to LAs	Highways Maintenance	130.40	36.12
	Local Network Improvement Plan	80.18	24.05
<b>Total Grants to Local Authorities</b>		<b>210.58</b>	<b>60.17</b>
<b>CRSTS TOTAL</b>		<b>1,225.66</b>	<b>161.50</b>

## Appendix 10

### WMCA Administered Funds – November 2023

Funding Stream	Grant Awarded £'000	Spend to Date £'000	Purpose
Midlands Connect	35,867	31,913	Revenue funding. Midlands Connect researches, develops and progresses transport projects that will benefit the region, its people and its businesses. The overall ambition is to make the Midlands region fairer, greener and stronger for everyone who lives here. <i>Note funding is accumulative since 2017</i>
One Public Estate	1,903	1,098	Revenue funding. Agreed by WMCA Board that WMCA would assume accountable body status for this grant award, which is delivering various projects to secure more from public sector assets through collective action.
Active Travel Fund - Capital	39,075	8,761	Funding awarded to external local authorities for the delivery of an array of capital schemes to support the production of cycling and walking facilities throughout the region.
Active Travel Fund - Revenue	1,157	669	Revenue funding to support the above.
<b>Total</b>	<b>78,002</b>	<b>42,441</b>	

## Appendix 11

### WMCA Balance Sheet – November 2023

	30 November 2023 £'000	31 October 2023 £'000	Movement £'000
Property, plant and equipment	804,321	794,280	10,041
Intangible assets	1,018	1,114	(95)
Investments	71,877	68,859	3,018
Loan Receivables	15,891	15,891	-
<b>Long-term assets</b>	<b>893,107</b>	<b>880,144</b>	<b>12,963</b>
Short-term debtors	94,839	99,926	(5,087)
Short-term deposits	905,038	994,538	(89,500)
Cash and bank	2,365	2,557	(192)
<b>Current assets</b>	<b>1,002,242</b>	<b>1,097,021</b>	<b>(94,779)</b>
Loans - interest due	(2,596)	(4,181)	1,585
Short-term loans	(20,000)	(53,400)	33,400
Short-term creditors/accruals	(133,280)	(145,770)	12,490
<b>Current liabilities</b>	<b>(155,876)</b>	<b>(203,351)</b>	<b>47,475</b>
<b>Net current assets</b>	<b>846,366</b>	<b>893,670</b>	<b>(47,304)</b>
Provisions	(5,486)	(5,468)	(18)
Loans - PWLB	(485,541)	(487,823)	2,282
Other long-term loans	(110,000)	(110,000)	-
Dudley MBC	(3,670)	(3,670)	-
Grants receipts in advance	(603,891)	(615,634)	11,743
<b>Long-term liabilities</b>	<b>(1,208,588)</b>	<b>(1,222,595)</b>	<b>14,007</b>
<b>Net assets</b>	<b>530,885</b>	<b>551,219</b>	<b>(20,334)</b>
General fund balance	8,596	8,968	(372)
Earmarked reserves	362,695	373,332	(10,637)
Capital receipts reserve	3,994	3,994	-
<b>Usable reserves</b>	<b>375,285</b>	<b>386,294</b>	<b>(11,009)</b>
Revaluation reserve	5,933	5,933	-
Deferred capital grants account	860,817	850,871	9,945
Capital financing account	(707,330)	(688,059)	(19,271)
Financial Instruments Adjustment Account	(2,830)	(2,830)	-
Accumulated absences account	(990)	(990)	-
<b>Unusable reserves</b>	<b>155,600</b>	<b>164,926</b>	<b>(9,326)</b>
<b>Total reserves</b>	<b>530,885</b>	<b>551,219</b>	<b>(20,334)</b>