



Name of meeting: Transport Delivery Overview & Scrutiny Committee

Meeting date: 8 July 2024

Report title: Financial Monitoring Report 2023/24- Month 12

Portfolio Lead: N/A

Responsible Director: Linda Horne, Executive Director of Finance and Business Hub

Report author: Beverly Sullivan, Financial Planning & Co-ordination Manager

Key Decision? No If Yes, select date decision was entered to the Forward Plan

Is the ability for the Combined Authority to make a decision internally reliant on Constituent or Non-Constituent Councils making a formal decision first?

Yes No

(If Yes – please contact the Member Relationship Manager to manage this process)

Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Decision/s Recommended

- 1.1 Note the outturn position as at 31 March 2024 against the TfWM revenue budget which shows a favourable variance of £3.5m, as detailed in section 4a.
- 1.2 Note the TfWM capital programme outturn position as at 31 March 2024 which shows a favourable variance of £111.6m for WMCA delivered schemes and a favourable variance of £83.3m for externally delivered schemes against budget, as detailed in Section 4b.
- 1.3 Note the progress against the use of CRSTS grant funding, as detailed in section 4c.

2. Voting Requirements

- 2.1 A majority of voting members, in attendance in the meeting room and indicating their preference, are required to vote in favour of any recommendation/proposition for it to become a decision of the Transport Delivery Overview & Scrutiny Committee.

3. Executive Summary

- 3.1 This report sets out the financial position as at 31 March 2024. The content relates to the financial position of the Combined Authority's Transport revenue and capital budgets.

3.2 It should be noted that the position is subject to the annual external audit review of the WMCA's accounts. The final position will be shown in the WMCA's financial statements which is expected to be published around November 2024.

4. Matters for Consideration

(A) Summary Revenue Position

4.1 Within Transport, there is a surplus of £3.5m which represents a favourable variance from budget of £3.5m.

	Full Year			Full Year		
	Actual £'000	Forecast £'000	Variance £'000	Actual £'000	Budget £'000	Variance £'000
Net TfWM Surplus / (Deficit) before reserves	5,526	920	4,606	5,526	0	5,526
Use of Reserves	(2,036)		(2,036)	(2,036)		(2,036)
Net TfWM Surplus / (Deficit)	3,490	920	2,570	3,490	0	3,490

4.2 The underspend has arisen due to higher than anticipated advertising income of £1.3m against budget, as well as the release of a £1.3m provision relating to Dudley Bus station as a result of a new lease contract being agreed, releasing WMCA from the previous obligation.

4.3 Savings of £1.4m have also been realised against the Midland Metro Ltd subsidy largely due to lower power costs, vacancies and a £0.6m adjustment to the 2022/23 subsidy requirement.

4.4 Concessionary related underspends have arisen due to patronage remaining below pre pandemic levels. In line with agreement from the WMCA Board, these savings on ENCTS have been transferred to a reserve to protect against future transport network risks, £7.6m in total. This transfer represents only 15% of the estimated annualised risk exposure.

4.5 Budgeted savings target of £3.0m on the Transport Portfolio have been fully achieved, with £1.4m each on the child concessionary and rail maintenance budgets and a further £0.2m achieved through vacancy management.

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

(B) Summary Capital Position

4.7 The TfWM capital programme expenditure totals £243.0m for WMCA delivered schemes which is £111.6m behind the profiled budget and £7.5m behind the Q3 forecast. For externally delivered schemes, expenditure totals £71.2m which is £83.3m behind budget and £1.5m lower than the Q3 forecast. This means that around 61.7% of the planned capital programme has been delivered - 68.5% of the WMCA delivered programme and 46% of the externally delivered programme.

£000's	Full Year			Full Year		
	Actual	Forecast	Variance	Actual	Budget	Variance
Metro	157,922	161,407	3,485	157,922	213,066	55,144
Rail	52,480	54,785	2,305	52,480	68,690	16,210
Bus	13,451	14,434	983	13,451	24,046	10,595
Sprint	7,800	8,264	464	7,800	20,070	12,270
Sustainable Travel	2,211	2,739	528	2,211	11,517	9,306
Highways	861	917	56	861	2,903	2,042
Digital and Data	6,606	5,991	(614)	6,606	12,065	5,459
Other	1,634	1,914	280	1,634	2,251	617
Total WMCA Delivered Schemes	242,965	250,452	7,487	242,965	354,607	111,642
Rail - External	3,791	5,225	1,434	3,791	5,844	2,053
Bus - External	170	207	37	170	500	330
Grants to Local Authorities - Transport	65,063	66,602	1,539	65,063	120,892	55,829
Sustainable Travel - External	2,191	4,170	1,979	2,191	27,310	25,119
Total Externally Delivered Schemes	71,215	76,204	4,989	71,215	154,547	83,331
Total Transport Capital Programme	314,179	326,657	12,478	314,179	509,153	194,975

4.8 The main variances across the internally delivered Transport programme are highlighted in the table below.

Project Description	FINAL OUTTURN 2023/24				Variance Explanation
	Actual £000	Budget £000	Variance £000	Variance as % of Budget	
Metro	157,922	213,066	55,144	25.9%	Rescheduling of works £14.6m - Birmingham Eastside Extension, £16.1m - Metro enhancements, £11.9m - Wednesbury to Brierley Hill Extension. Operational issues impeding progress (Pineapple Rd, Kings Heath, Moseley). Revaluation of scheme requirements and the consideration of technological advancements relating to the Coventry Electric Bus programme. Largely due to the timing of utility diversion works. The timing of legal & procurement milestones relating to the Local Electric Vehicle Infrastructure project have changed along with a review of priorities within key / major route network schemes. There are variances across the 5 FMZ packages, RTCC projects (specifically highways interventions) and the re-scheduling of licensing for Verto software. Activity relating to Real Time Information projects (RTI) and the bus shelter programme has been re-scheduled. Land acquisition of land in relation to the Ultra Rapid Charging Transit station is later than anticipated. Contracts for the Swift ceMV Contactless Payment Broker project have been deferred to 2024/25. The Air Quality project has been deferred to next financial year due to a national review being conducted by DEFRA.
Rail	52,480	68,690	16,210	23.6%	
Bus	13,451	24,046	10,595	44.1%	
Sprint	7,800	20,070	12,270	61.1%	
Highways	861	2,903	2,042	70.3%	
Digital and Data	6,606	12,065	5,459	45.3%	
Other Transport	1,634	2,251	617	27.4%	
Sustainable Travel	2,211	11,517	9,306	80.8%	
TOTAL	242,965	354,607	111,642	31.5%	

4.9 In relation to the externally delivered programme, progress on schemes is behind the schedule originally anticipated at budget setting, specifically £45.6m relating to the Coventry City Centre South Regeneration project, £5.3m for the Active Travel Fund Cycling and Walking schemes, £24.5m for the Sustainable Transport schemes and UKSPF £7.1m. These variances are timing related, so activities will be reprofiled for delivery in 2024/25 and beyond.

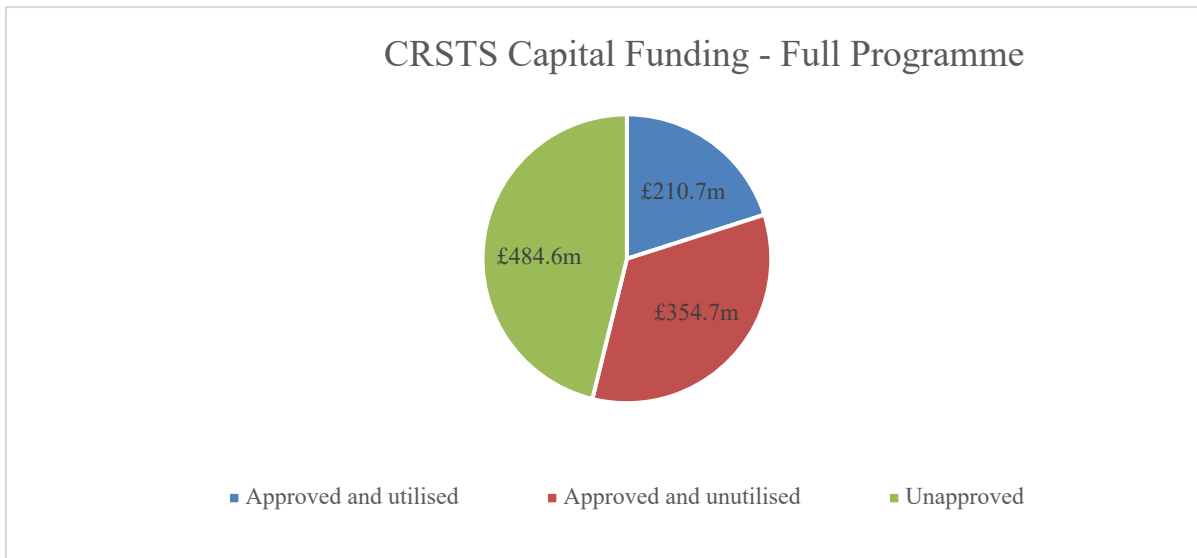
4.10 Whilst the capital programme has outturn with a favourable in year variance for 2023/24, it should be noted that there are significant capital pressures being forecast on some of the transport schemes within the capital programme. A report on these pressures will be brought to the WMCA Board in July 2024 which will seek some key decisions on these projects.

4.11 A project breakdown of the capital programme is provided in Appendix 2.

(C) CRSTS

4.12 CRSTS funding formally approved and available to be utilised totalled £565.4m as at 31st March 2024 (against a full allocation of £1.05bn). Expenditure incurred from within this formally approved funding totals £210.7m as at 31st March 2024, which equates to around 37.3% of the formal approval. A breakdown of this total is provided below.

CRSTS COMMITMENTS (£m)		Funding Approved	Spent to Date
WMCA Delivered Schemes	Bus	24.89	2.17
	Digital and Data	7.00	0.94
	LNIP Top Slice	27.33	10.27
	Metro	130.02	56.17
	Rail	26.56	9.85
	Sprint	84.10	38.15
	Sustainable Travel	15.04	2.08
Total WMCA Delivered Schemes		314.95	119.63
Externally Delivered Schemes	Bus	0.50	0.17
	Rail	38.18	7.65
	Sustainable Travel	11.17	3.01
Total Externally Delivered Schemes		46.49	10.83
Grants to LAs	Highways Maintenance	120.40	48.16
	Local Network Improvement Plan	80.18	32.07
Total Grants to Local Authorities		200.58	80.23
CRSTS TOTAL		565.38	210.69



5. What options have been considered and what is the evidence telling us about them?

This is an update report only, therefore there are no further options that have been considered.

6. Reasons for recommending preferred option

6.1 Not applicable.

7. Implications and Considerations

Priority:	Contribution:
Delivery of Strategic Transport Plan	Activity covered within this report support the delivery of the Strategic Transport Plan.
Promote inclusive economic growth in every corner of the region	Transport is a social and economic enabler. Continued investment in the programme helps people get to where they need to be in employment, education and training, enables businesses to trade and compete, and underpins the ongoing economic development of the region.
Ensure everyone has the opportunity to benefit	The Transport programme boosts and removes barriers to opportunities.
Connect our communities by delivering transport and unlocking housing and regeneration schemes	The programmes covered in this update support wider transport accessibility and community regeneration activities.
Reduce carbon emissions to net zero and enhance the environment	Sustainable travel schemes contribute to the net zero agenda.
Secure new powers and resources from central government	Not applicable
Develop our organisation and our role as a good regional partner	Organisational priorities can only be delivered through a sound understanding of the organisation's financial sustainability and key risks which are faced. This enables decisions to be made that balance the resource implications of the WMCA's policies against financial constraints. This report aids in understanding of this position and through the sharing of the financial performance, helps in strengthening the relationships with our Constituent and non-Constituent local authorities

8. Internal Consultation and Scrutiny:

8.1 Executive Directors have been involved in the clearance of this report.

9. External Consultation and Scrutiny:

9.1 No external consultation has been done for this update report.

10. Financial implications:

10.1 The financial implications are covered in the main body of the report.

11. Legal implications:

11.1 The WMCA has a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.

12. Single Assurance Framework implications:

12.1 Not relevant for this update report.

13. Risk implications, including Risk Appetite:

13.1 The main risk in relation to Transport relates to the sustainability of the network once the current agreement with operators ends in December 2024. Work on the Bus Delivery options will be instrumental in managing or mitigating this risk in the future.

14. Procurement Implications:

14.1 There are no procurement implications arising from this report.

15. Equality implications:

15.1 There are no equalities implications arising from this report.

16. Inclusive Growth Implications:

16.1 Not applicable for this update report

17. Local Authority Impact:

17.1 The report covers the transport programme which is delivered in conjunction with partner local authorities.

18. List of appendices referred to:

18.1 Appendix 1 – Revenue Budget Outturn position

18.2 Appendix 2 – Capital Budget Outturn position

19. Background papers used to compile this report:

19.1 None.

20. List of Other Relevant Documents

20.1 None.