



Name of meeting: Transport Delivery Overview & Scrutiny Committee

Meeting date: 13 January 2025

Report title: Financial Monitoring Report 2024/25- Month 8

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 position as at the 30 November 2024 against the TfWM Revenue Budget which shows an adverse variance of £0.7m, as detailed in Section A.
- 1.2 Note the TfWM Capital Programme position as at 30th November 2024 is £3.7m behind latest forecast for WMCA delivered schemes and £1.3m behind forecast for externally delivered schemes against budget, as detailed in Section B.
- 1.3 Note the projected forecast position for both the revenue and capital programme.
- 1.4 Note the progress against the use of City Regional Sustainable Transport Settlements (CRSTS) grant funding, as detailed in section C.

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 The report also sets out the financial position as at 30 November 2024 against the Combined Authority's Transport revenue and capital budgets, and an update on the use of the CRSTS grant, one of the material funding streams for the capital programme.

4. Matters for Consideration

(A) Summary Revenue Position

4.1 Within Transport, there is an adverse variance of £0.7m. This is largely made up of favourable variances within operational areas arising from vacancies and lower external advice expenditure which is offset by an adverse variance due to budgeted use of reserves not yet drawn down. None of the £5m budgeted support has yet been applied.

	November Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Net TfWM Surplus (Deficit) before reserves	(730)	(3,333)	2,603	(1,846)	(5,000)	3,154
Use of Reserves	0	3,333	(3,333)	2,500	5,000	(2,500)
Net TfWM Surplus/(Deficit)	(730)	0	(730)	654	0	654

4.2 Concessionary related underspends have arisen due to patronage remaining below pre pandemic levels. English National Concessionary Travel Scheme (ENCTS) savings are £5.3m and child concessions £0.5m. Child concessions saving will contribute to the in-year efficiency target. In line with agreement from the WMCA Board, the savings on ENCTS have been transferred to a reserve to protect against future transport network risks. The main risk relates to the commercial viability of the Bus sector and the increasing requirement for significant support if the current network is to be maintained beyond the current agreement with operators due to end on 31 March 2025. The transfer to reserves represents only 11% of the estimated annualised risk.

4.3 There is £1.3m reduction in the funding support required by metro driven by lower power costs, staff savings and additional passenger and advertising income.

4.4 There is also a favourable variance of £0.5m within rail which is largely due to operational costs relating to University Station being lower than budget and costs relating to Rail package 1 and 2 now expected to commence in 2025/26. Total annual savings are expected to be £0.5m and will contribute to the £2.4m efficiency savings target.

4.5 Transport is on track for full delivery of its £2.4m efficiency target, which represents around 5.6% of its controllable budgets.

4.6 It is projected that by 31 March 2025, the revenue budget will be underspent by £0.7m.

4.7 Appendix 1 shows the detailed Transport revenue position.

(B) Summary Capital Position

4.8 The latest forecast projects that capital expenditure for transport projects and programmes will total £368.9m, about £130.5m less than the approved budget. This means that around

26% of the programme has been deferred to future years – 16.5% within the external programme and a further 9.5% within the TfWM delivered programme. Further details are shown in the table below.

£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
Metro	82,258	86,879	4,621	147,432	156,011	8,579
Rail	33,578	32,073	- 1,504	55,402	70,967	15,566
Bus	10,468	10,842	374	26,184	38,037	11,853
Sprint	7,998	8,043	45	15,736	19,630	3,894
Highways	572	596	24	2,245	3,388	1,143
Digital and Data	2,998	3,084	86	6,349	7,384	1,036
Other Transport	964	1,055	91	2,284	2,875	591
Sustainable Travel	4,488	4,513	25	6,981	12,297	5,317
Total WMCA Delivered Schemes	143,325	147,086	3,761	262,612	310,589	47,977
Rail - External	3,052	3,053	1	12,057	21,913	9,856
Bus - External	118	118	-	552	675	124
Grants to Local Authorities - Transport	41,550	41,559	9	76,323	118,451	42,128
Sustainable Travel - External	3,873	5,118	1,245	18,356	48,733	30,377
Total Externally Delivered Schemes	48,593	49,848	1,255	107,287	189,772	82,485
Total Transport Capital Programme	191,918	196,934	5,016	369,899	500,361	130,462

- 4.9 Within the externally delivered capital programme, a land transfer for the Investment Programme funded Coventry City Centre South project has slipped into 2025/26 resulting in a £28.7m movement from quarter 1. CRSTS projects, particularly the walking, cycling and bus schemes, are also facing slippage due to delays at project approval stage. Slippage against planned profile of the CRSTS programme is a problem being replicated nationally.
- 4.10 Internally, the Metro programme has been rescheduled by £8.6m to reflect the latest delivery expectations. In relation to Rail Package 2, there have been delays in programme progress (£12.6m) caused by various operational issues which has resulted in the prolongation of the project. Dudley Interchange has also seen a reduction of £7.5m due to the reprofiling of construction costs required while the target cost of the project was finalised.
- 4.11 As at Month 8, the TfWM capital programme year to date expenditure totals £143.3m for WMCA delivered schemes which is £3.8m behind the latest forecast. For externally delivered schemes, expenditure totals £48.6m, which is £1.3m behind forecast. These lead to an overall variance against latest forecast of £5.0m (2.5%).
- 4.12 Projects with variations against forecast include:

Internal Capital Programme

- **2GT Battery Renewals - £2.3m under** - Contract is awaiting legal approval, which is likely to be in January 2025.
- **Traction Power Phase 2- £0.6m under** – Substation 4 originally scheduled for installation in December is now expected nearer the end of the financial year due to delays with planning approval, which are expected to be resolved by February 2025.
- **Rail – Camp Hill Local Enhancements - £1.2m ahead** – The November application for payment by the construction supplier was £1.6m greater than anticipated. £0.2m timing difference on the licence for access to school ground at Pineapple Road site which was forecasted for January 2025 but has been accelerated.

- **Rail - Walsall to Wolverhampton Local Enhancements - £0.2m under** – Minor timing differences.
- **Dudley Interchange £0.2m under** – Minor construction variance due to the delay in awarding the stage 2 contract which is now in the final stages of review.

External Capital Programme

- **CRSTS - ULEV Black Country- £0.8m behind** – No agreement yet in place; the Final Business Case is expected for an approval decision on 13th January 2025.
- **CRSTS – One Station and Smallbrook Queensway - £0.2m behind** – A change request has been submitted requesting a £0.3m further CRSTS funding

Appendix 2 shows the detailed Transport capital position.

(C) CRSTS

- 4.13 CRSTS funding formally approved and available to be utilised totalled £655.0m as at 30 November 2024. Expenditure incurred from within this formally approved funding totals £308.1m as at 30 November 2024, which equates to around 47.0% of the formal approval. A breakdown of this total is provided below.

CRSTS COMMITMENTS (£m)		Funding Approved	Spent to Date
WMCA Delivered Schemes	Bus	33.60	7.49
	Digital and Data	7.00	1.58
	LNIP Top Slice	24.93	11.80
	Metro	157.51	70.72
	Rail	64.12	37.08
	Sprint	75.37	45.59
	Sustainable Travel	15.04	6.29
Total WMCA Delivered Schemes		377.56	180.55
Externally Delivered Schemes	Bus	0.84	0.29
	Rail	43.60	10.70
	Sustainable Travel	22.35	6.89
Total Externally Delivered Schemes		66.79	17.88
Grants to LAs	Highways Maintenance	130.40	66.88
	Local Network Improvement Plan	80.18	42.76
Total Grants to Local Authorities		210.58	109.64
CRSTS TOTAL		654.92	308.06

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 recently approved by WMCA Board for extension to March 2025. 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 – Transport Revenue Financial Position as at 30 November 2024

18.2 Appendix 2 – Transport Capital Financial Position as at 30 November 2024

19. Background papers used to compile this report:

19.1 None.

20. List of Other Relevant Documents

20.1 None.

Appendix 1

Transport for West Midlands Revenue Budget Position 30 November 2024

The overall position within the Transport budget at the end of November 2024 is an adverse variance of £0.7m. Key variances relate to Midland Metro funding and concessions offset by an adverse variance due to budgeted use of reserves that has not yet been drawn down.

	Year to Date			Full Year		
	2024/25 Actuals £000	2024/25 Budget £000	2024/25 Variance £000	2024/25 Forecast £000	2024/25 Budget £000	2024/25 Variance £000
Transport Levy	79,570	79,570	0	119,355	119,355	0
Network Stability Grant	12,107	12,107	(0)	28,435	28,435	(0)
Use of Treasury Windfall Income	0	3,333	(3,333)	2,500	5,000	2,500
TOTAL FUNDING	91,677	95,010	(3,333)	150,290	152,790	2,500
National Bus Concession	32,058	32,020	(38)	47,695	47,695	(0)
Metro / Rail	3,048	3,049	1	4,573	4,573	1
Child Concession	3,634	4,216	581	6,473	6,764	291
Concessions	38,741	39,285	544	58,741	59,033	292
Bus Stations / Infrastructure	4,446	4,952	505	5,855	7,114	1,259
Subsidised Network	10,446	11,111	664	24,433	24,433	0
Accessible Transport	4,594	4,479	(116)	6,929	6,718	(211)
Bus Franchising	330		(330)	1,300		(1,300)
Bus Services	19,817	20,541	724	38,517	38,265	(252)
Metro Services	7,996	9,596	1,599	11,378	16,053	4,674
Rail Services	2,645	3,148	503	4,473	5,016	543
Rail and Metro Services	10,641	12,743	2,102	15,852	21,069	5,217
Safety and Security	1,852	1,938	86	2,907	2,907	(0)
Passenger Information	4,158	4,564	407	6,907	7,179	272
Sustainable Travel	1,291	1,319	28	2,141	2,149	8
Integration	7,301	7,821	521	11,955	12,234	279
Network Resilience	2,129	2,263	134	3,392	3,392	(0)
Business and Democratic Support	3,267	3,289	23	4,934	4,934	(0)
Strategic Development	2,882	3,037	156	4,800	4,818	18
Transport Governance	98	98	0	147	147	(0)
Capital Finance Charges	7,531	7,531	0	11,297	11,297	(0)
Efficiency Target	0	(1,600)	(1,600)		(2,400)	(2,400)
TOTAL EXPENDITURE	92,407	95,010	2,603	149,635	152,790	3,154
NET EXPENDITURE	(730)	0	(730)	654	0	654

Concessions

There are savings in year within the ENCTS and child concessions budgets of £5.8m due to a lower service provision. A transfer to reserves of £5.3m has been made to provide for future

risks within the Transport budget and of the remainder, £0.5m, will contribute towards the efficiency target within Transport.

Bus Services

Within the Subsidised Bus services budget there is unbudgeted income of £0.7m. The full year forecast reflects Bus Franchising expenditure of £1.3m expected in the second half of the year approved by WMCA Board on 19 July 2024.

Rail & Metro

There is a saving within the Metro Directorate relating to the Midland Metro Limited operational funding requirement where the current expectation is a full year saving of £4.5m against forecast due to stabilisation of power costs. This equates to an under spend to date of £1.3m at the end of November. In addition, there are savings against Metro capital financing charges of £0.1m to date and £0.3m in the full year due to the opening of the Wednesday to Brierley Hill extension being deferred.

There is also a favourable variance of £0.5m within Rail which is largely due to operational costs relating to University Station being lower than budget and costs relating to Rail package 1 and 2 now expected to commence in 2025/26. Total annual savings are expected to be £0.5m and will contribute to the £2.4m efficiency savings target.

Integration

The favourable variances within Passenger Information largely relates increased ticketing commission income and the staffing budget where there are vacant posts and increased recharges to rail projects.

Efficiency Target

There is a full year efficiency target of £2.4m within the Transport Portfolio which is being met from savings within the concessions, rail, staffing vacancies and reduction in spend on non-pay areas.

Reserves

Budgeted use of treasury windfall income totals £5.0m for the year. To date none has been utilised.

Appendix 2 TfWM Delivered Capital Schemes

£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
Buy Before Boarding	2,433	2,792	358	3,643	4,280	637
Metro Birmingham Eastside Extension	19,554	19,798	244	33,197	41,655	8,458
Metro Centenary Square Extension	38	38	0	308	296	(12)
Metro Edgbaston Extension	689	1,012	323	4,709	4,801	92
Metro Wednesbury to Brierley Hill Extension	45,722	45,936	214	75,578	77,385	1,807
Metro Wolverhampton City Centre Extension	1,172	1,369	197	6,067	4,245	(1,821)
Trams	0	(0)	(0)	(0)	0	0
Metro Network Enhancements	12,232	13,106	874	20,124	18,815	(1,310)
Metro - Other	417	2,827	2,410	3,806	4,533	728
Metro - Other	82,258	86,879	4,621	147,432	156,011	8,579
£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
Rail Package 1	13,525	13,699	174	25,603	24,793	(809)
Rail Package 2	18,559	16,784	(1,775)	25,516	38,096	12,579
Rail Station	1,126	1,197	72	2,481	4,192	1,711
Very Light Rail	112	135	23	505	811	306
Dudley Port Integrated Transport Hub	66	65	(1)	166	820	654
Aldridge Station	181	184	3	1,120	2,166	1,046
Rail - Other	10	10	0	10	89	80
Total Rail Schemes	33,578	32,073	(1,504)	55,402	70,967	15,566
£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
Bus Station/Interchange	3,753	3,938	185	9,386	16,840	7,454
Clean Bus	5,203	5,274	71	14,212	16,090	1,878
Cross City Bus	329	404	74	817	1,206	389
East Birmingham to Solihull Corridor	124	150	26	230	312	82
BSIP Bus Priority Cross City Routes	1,050	1,062	12	1,522	2,573	1,050
BSIP Retrofit Programme	0	0	0	0	1,000	1,000
National Productivity Investment Fund	8	14	6	16	16	0
Total Bus Schemes	10,468	10,842	374	26,184	38,037	11,853
£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
Hagley Road	492	503	11	1,110	4,832	3,722
Hall Green to Interchange via Solihull	11	6	(5)	46	125	79
Longbridge to Birmingham	2	2	0	17	17	(0)
Sprint Ph2 A45	5,130	5,074	(55)	10,355	10,355	0
Sprint Ph2 A34	2,243	2,157	(86)	3,816	3,816	0
Sprint A45	(38)	131	169	131	301	170
Sprint A34	91	94	2	94	16	(77)
Hagley Road Rapid Transit	68	77	9	167	167	0
Total Sprint Schemes	7,998	8,043	45	15,736	19,630	3,894
£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
Air Quality	0	0	0	0	990	990
Electric Vehicles	3,450	3,411	(39)	5,218	4,628	(589)
Priority One Development	113	113	0	199	4,965	4,766
Swift ceMV Contactless Payment Broker	926	989	63	1,564	1,714	150
Total Sustainable Travel	4,488	4,513	25	6,981	12,297	5,317
£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
KRN/MRN	5	23	18	173	172	(2)
Highways - Other	568	573	6	2,072	3,216	1,145
Total Highways	572	596	24	2,245	3,388	1,143
£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
FMZ	646	693	47	931	1,427	496
RTCC	403	383	(20)	759	989	230
RTI	53	104	51	275	498	222
Scheme Development and M and E	633	642	9	1,025	1,112	87
Digital and Data - Other	1,263	1,263	0	3,359	3,359	(0)
Total Digital & Data	2,998	3,084	86	6,349	7,384	1,036
£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
Asset Management	964	1,055	91	2,235	2,826	591
Transport - Other	0	0	0	49	49	0
Total Other	964	1,055	91	2,284	2,875	591
Total Internally Delivered Capital Schemes	143,325	147,086	3,761	262,612	310,589	47,977

Externally Delivered Capital Schemes

£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
Very Light Rail - External	2,797	2,798	1	11,515	20,288	8,773
Solihull Rail Station	0	0	0	0	375	375
West Coast Mainline	256	256	0	542	1,250	708
Total Rail - External	3,052	3,053	1	12,057	21,913	9,856
East Birmingham to Solihull Corridor - External	118	118	0	452	625	174
UKC - Solihull - Dorridge Bus Priority	0	0	0	100	50	(50)
Total Bus - External	118	118	0	552	675	124
City Centre Regeneration	6,019	6,029	10	17,633	45,905	28,272
Cycling and Walking	3,020	3,020	0	9,641	21,295	11,654
Highways Maintenance	20,444	20,444	(0)	30,666	30,666	(0)
Local Network Improvement Plan	10,690	10,690	(0)	16,035	16,035	(0)
Grants to Local Authorities - Other	972	970	(1)	1,796	3,071	1,275
HS2 Enabling	405	405	0	553	1,479	926
Grants to Local Authorities - Transport External	41,550	41,559	9	76,323	118,451	42,128

£000's	YEAR TO DATE			FULL YEAR		
	Actual	Forecast	Variance	Forecast	Budget	Variance
Electric Vehicles - External	22	777	755	2,273	6,775	4,502
Sutton Coldfield Gateway	0	0	0	600	750	150
Active Travel - A45 Segregated Cycleway	260	260	0	600	600	0
A38 Selly Oak to Longbridge Segregated Cycling	128	128	0	364	600	236
City Centre AT Connections to Interchange	376	437	61	2,410	2,671	261
One Station and Smalbrook Queensway	680	920	240	1,720	1,500	(220)
Snow Hill Growth Strategy	0	0	0	0	1,000	1,000
Foleshill Transport Package	596	596	0	1,396	2,530	1,134
Cov South Sustainable Transport	152	212	60	1,979	4,560	2,581
Dudley Town Centre Interchange Sustainable Connectivity	0	0	0	510	0	(510)
Stourbridge Town Centre Sustainable Connectivity	0	130	130	650	0	(650)
Wednesbury to Brierley Hill Ext Sustainable Access Measures	158	158	0	690	4,000	3,310
A461 Walk, Cycle and Bus Corridor	235	235	0	784	1,681	897
Smethwick - Birmingham Inclusive Growth Corridor Transport	199	199	0	849	2,849	2,000
Chester Rd Corridor - Cycleway & Capacity Enhancement	0	0	0	143	0	(143)
Multi-modal Access to HS2 Enhancement	0	0	0	50	1,000	950
Bus, Cycle & Walk - Darlaston & Willenhall Train Stations	0	0	0	0	1,500	1,500
A454 Walk, Cycle and Bus Corridor	281	281	0	1,473	3,608	2,135
A41 Moxley Iron Park to Walsall TC Walk, Cycle & Bus Corridor	263	263	0	450	1,000	550
Black Country Walking and Cycling Package	0	0	0	0	1,000	1,000
A4123 Walk, Cycle and Bus Corridor	424	424	0	756	3,956	3,200
A449 Walk, Cycle and Bus Corridor	99	99	0	659	1,622	963
Wolverhampton City Centre Movement - Walk, Cycle and Bus	0	0	0	0	5,530	5,530
Sustainable Travel - External	3,872	5,118	1,246	18,355	48,733	30,377

Total Externally Delivered Capital Schemes	48,592	49,848	1,256	107,286	189,772	82,485
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