

WMCA Board

Date	11 January 2019
Report title	WMCA Draft Budget 2019/20
Portfolio Lead	Finance & Investments - Councillor Bob Sleigh
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Report has been considered by	Strategic Leadership Team - 12 December 2018 WMCA Programme Board - 21 December 2018

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

1. Note the consolidated revenue budget monitoring position as at 30 November 2018;
2. Approve for consultation and scrutiny the draft West Midlands Combined Authority consolidated revenue budget summarised in Section 4. This includes:
 - a) the budget requirement for transport delivery 2019/20 comprising two elements:
 - i. £114.7 million a year to be funded from the existing transport levy mechanism; and
 - ii. a transfer from earmarked reserves of £1.0 million.

- b) the West Midlands Combined Authority Operational budget requirement for 2019/20 of £103.1 million comprising of six elements:
 - i. £84.2 million Adult Education spending to be funded for the first time from Adult Education Budget funding devolved by the Department for Education;
 - ii. £10.6 million to be funded from other devolution deal grants;
 - iii. £4.6 million to be funded from Constituent Authority fees (fees to remain at the same level as 2018/19);
 - iv. £0.4 million to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2018/19);
 - v. £2.2 million to be funded from other income; and
 - vi. a transfer from reserves of £1.1 million.
3. Approve for consultation and scrutiny the Mayoral Office budget for 2019/20 of £0.8 million to be funded from existing Mayoral capacity funding of £0.8 million.
4. Note that the Mayor has indicated that there will be no mayoral precept during the remainder of his current term of office.
5. Note the West Midlands Combined Authority indicative 5 year Medium Term Financial Plan as set out in Paragraph 7.2 and Table 8.
6. Approve for consultation and scrutiny the Transport Capital Programme as set out in Section 8 and Appendix 4.
7. Note the planned spend on the Investment Programme over the 3 year period as set out Appendix 7 and in Section 9.
8. Approve that surplus cash balances generated from the Collective Investment Fund are used to support the West Midlands Combined Authority Operational Budget thus minimising Constituent and Non-Constituent Authority contributions.
9. Note the intention as detailed in section 8 to launch a commercial housing fund in 2019/20 to enable the Housing Delivery Team to become self-sufficient with effect from 2021/22 onwards.

1.0 Purpose

- 1.1 This report is intended to provide a draft budget for consideration by the West Midlands Combined Authority Board at its meeting on 11 January 2019, to enable:
 - i. a period of consultation with stakeholders to begin; and
 - ii. onward scrutiny of West Midlands Combined Authority's spending plans.
- 1.2 The West Midlands Combined Authority Overview and Scrutiny Committee's Budget Scrutiny Task Group is undertaking the scrutiny work. A feedback report from the Mayoral Question Time on the budget is to be presented to this Board. In addition a further Overview and Scrutiny Committee Budget Scrutiny Task Group session is taking place on Tuesday 8 January 2019 and the final views of the Budget Scrutiny Task Group will be considered by the West Midlands Combined Authority at its meeting on 8 February 2019, prior to giving consideration to the Final Budget.

2.0 Background

- 2.1 This report represents the first part of the formal process to determine the West Midlands Combined Authority's budget, levy and precept levels for 2019/20. If approved, this report will form the basis for budget proposals to the West Midlands Combined Authority Board on 8 February 2019.
- 2.2 The overall vision of West Midlands Combined Authority is to drive inclusive economic growth in the West Midlands region and enable a healthier, happier, better connected and more prosperous population, as well as add value to the work of existing West Midlands public sector bodies.
- 2.3 The draft West Midlands Combined Authority Operational revenue budget for 2019/20 is funded by £5.2 million of locally generated funds and £10.8 million of monies secured through the region's devolution deals and therefore it can be seen that the region has been successful in leveraging in over £2 for every £1 raised locally to deliver the Operational Budget.
- 2.4 This position represents a significant improvement in the level of funding leveraged through the region's devolution deals when compared with West Midlands Combined Authority's budget for 2018/19 that was approved by West Midlands Combined Authority Board in February 2018 and leveraged £1 for every £1. In addition significant investment has been secured in addition to that contained in the operational budget through the NHS Executive and Public Health Executive in relation to the Health and Wellbeing portfolio.
- 2.5 This report presents a strategy for both 2019/20 and a Medium Term Financial Plan across all revenue and capital Budgets.
- 2.6 The development of the West Midlands Combined Authority has ensured that all the region benefits from both better outcomes as well as new investment with the intention of all areas benefitting from the delivery of Inclusive Growth. The key headlines for the draft budget are as follows:

- Significant proposals and strategies being delivered at no extra cost to constituent authorities;
- More certainty over the medium term;
- No increase in constituent fees or levy for 2019/20;
- Medium term efficiencies to enable a cash flat position to be delivered;
- No Mayoral precept for 2019/20 and 2020/21;
- Increased additional funding into the region to deliver our priorities;
- A capital plan for the West Midlands Combined Authority that provides £550 million of new capital investment for the West Midlands region in 2019/20.

2.7 It should be noted that funding for the May 2020 Mayoral election is yet to be identified.

2.8 This report provides recommendations that would enable the West Midlands Combined Authority to deliver its ambitious plans for driving inclusive economic growth in the West Midlands region and building a healthier, happier, better connected and more prosperous West Midlands.

2.9 Inclusive growth comes from organisations working together to transform peoples' lives by developing new ways of positive change in communities. West Midlands Combined Authority is committed to promoting inclusive growth across the West Midlands that all of our residents and communities can benefit from. West Midlands Combined Authority will ensure the voice of local people is at the heart of its vision for inclusive growth and will shape spending and investment decisions to generate inclusive growth. A commitment to ensure inclusive growth is also at the heart of the Local Industrial Strategy.

2.10 The approach to preparing the budget is in accordance with the Medium Term Financial Plan set out in section 7. The Medium Term Financial Plan sets out the anticipated budget position for 2019/20 along with a position for 2020/21 to 2023/24 and reflects the West Midlands Combined Authority's Strategic Economic Plan and the Mayor's Renewal Plan.

3.0 Revenue budget monitoring 2018/19

3.1 West Midlands Combined Authority's forecast outturn for 2018/19 at Month 8 (November 2018) indicates a favourable position on both transport delivery and operational spending for West Midlands Combined Authority. This forecast represents actual performance for eight months of the 2018/19 financial year together with a forecast for the remaining four months. Net spending for the Mayor's office is anticipated to be in line with the original budget. The following table illustrates the overall revenue position at the end of November 2018:

Table 1: West Midlands Combined Authority Revenue Budget 2018/19

	Actual to Date £m	Budget to Date £m	Variance to Date £m	Forecast Outturn £m	Original Budget £m	Forecast Variance £m
Transport Delivery	76.3	76.7	0.4	115.7	115.7	-
WMCA Operational Budget	2.9	3.6	0.6	5.1	5.1	-
Mayor's Office	0.6	0.6	0.0	0.8	0.8	-
Investment Programme	36.5	36.5	0.0	36.5	36.5	-
Total	116.2	117.3	1.0	158.1	158.1	-

- 3.2 The forecast indicates a break even position for the year.
- 3.3 It should also be noted that the 2018/19 approved budget reflected year 2 of a 7 year plan to incorporate an amendment to West Midlands Combined Authority's Capital Financing Policy, leading to annual savings of £4.8 million a year. Capital financing charges will revert to their original pre-2017/18 level in 2024/25.
- 3.4 £1.0 million a year for the 3 years 2018/19 – 2020/21 was set aside from the first year's savings (2017/18) to support the transport delivery revenue budget which enabled a corresponding levy reduction in each of the three years.
- 3.5 The following table sets out the forecast position on West Midlands Combined Authority's general reserve as at 31 March 2019.

Table 2: West Midlands Combined Authority's General Reserve

General Reserve	£m
Balance bought forward 1 April 2018	2.3
Contribution in year 2018/19	-
Balance carried forward 31 March 2019	2.3

4.0 The draft 2019/20 Consolidated Revenue Budget

- 4.1 The draft consolidated revenue budget position for 2019/20 is set out in the table overleaf:

Table 3: Consolidated Draft Revenue Budget

	Total	Transport	Operational Portfolios	Investment Programme	Mayors Office
	£m	£m	£m	£m	£m
Transport Levy	114.7	114.7	-	-	-
Devolution Deal grant (IP)	36.5	-	-	36.5	-
Devolution Deal grants - other	11.4	-	10.6	-	0.8
Adult Education Funding	84.2	-	84.2	-	-
Business rates growth	6.0	-	-	6.0	-
Grants from Constituent members	4.6	-	4.6	-	-
Grants from Non Constituent members	0.4	-	0.4	-	-
New revenue streams	0.4	-	0.4	-	-
Investment Income	1.7	-	1.7	-	-
Third Party Income	0.1	-	0.1	-	-
Use of Reserves	2.1	1.0	1.1	-	-
Total Income	262.2	115.7	103.1	42.5	0.8
Transport delivery	115.7	115.7	-	-	-
Operational delivery	103.1	-	103.1	-	-
Investment Programme	1.2	-	-	1.2	-
Mayoral Office	0.8	-	-	-	0.8
Financing Costs	41.3	-	-	41.3	-
Total Expenditure	262.1	115.7	103.1	42.5	0.8
Net Expenditure	-	-	-	-	-

- 4.2 The draft revenue budget for 2019/20 has been developed in collaboration with Constituent Authorities following the commitment given earlier in the year.
- 4.3 Further detail is provided in the following sections on how this budget has been built up. The proposed contributions from Constituent Authorities based on this draft budget mean that contributions will be maintained at 2018/19 levels recognising that fees were increased in 2018/19. The split is set out in the table that follows:

Table 4: West Midlands Combined Authority Levy & Constituent Members Contributions

Allocations	2018/19 £m	2019/20 £m	Net Gain
Birmingham	46.1	46.1	0.0
Coventry	14.8	14.9	(0.1)
Dudley	13.3	13.3	0.1
Sandwell	13.5	13.5	0.0
Solihull	9.0	9.0	0.0
Walsall	11.7	11.7	0.0
Wolverhampton	10.8	10.9	(0.0)
Total	119.4	119.4	0.0

- 4.4 The change in net contributions from authorities reflects the proposed transport levy, updated for statutory population movements.
- 4.5 Delivery of this inclusive and collaborative budget process commenced with high level discussions with Metropolitan Leaders in June 2018 and the draft budget has been developed in partnership with West Midlands' Finance Directors and Chief Executives.
- 4.6 The draft budget presented in this report delivers all the Portfolio Leads' objectives, although cost pressures clearly remain in the medium term.

- 4.7 Non-constituent authority and observer fees have not increased since West Midlands Combined Authority was constituted in 2016, whilst constituent authority contribution levels have risen to reflect the need to increase capacity to deliver portfolio and commission recommendations. The Mayor has also indicated that there will be no mayoral precept during the remainder of his current term of office.
- 4.8 The current working assumption is that the contribution for non-constituent authorities will remain at £25,000 per annum in 2019/20 and will be subject to annual review over the medium term.
- 4.9 It has been agreed that during 2019 we will proactively and collectively work more closely to understand and agree shared endeavours and a shared approach to non-constituent membership including improve consultation regarding fee levels and the growing benefits that membership brings.
- 4.10 It is proposed that all non-constituent authorities are granted access to the existing Collective Investment Fund (loan fund capped at £70 million) and the Brownfield Land and Property Development Fund (grants fund capped at £50 million) from April 2019. This will mean that all constituent and non-constituent members will be able to access the funds and this change will have the effect of harmonising the geography of the funds across the region.
- 4.11 It is proposed that observer contributions also remain flat at £25,000 per annum. For clarity the proposed schedule of contributions is presented below:

Table 5: Non Constituent Authority and Observer Contributions

Non-Constituent Member Allocations	2019/20 £
<i>Non-Constituent</i>	
Cannock Chase District Council	25,000
North Warwickshire Borough Council	25,000
Nuneaton and Bedworth Borough Council	25,000
Redditch Borough Council	25,000
Rugby Borough Council	25,000
Shropshire Council	25,000
Stratford-on-Avon District Council	25,000
Tamworth Borough Council	25,000
Telford and Wrekin Council	25,000
Warwickshire County Council	25,000
Black Country LEP	25,000
Greater Birmingham and Solihull	25,000
Coventry & Warwickshire LEP	25,000
<i>Observers</i>	
The Marches LEP	25,000
Fire partner contribution	25,000
Police partner contribution	25,000
Herefordshire	25,000
Total	425,000

Transport for West Midlands

- 4.12 The planning approach to setting the 2019/20 Transport for West Midlands budget has been to consider any changes that may be required to financial planning within the current policy framework and maintain investment into services in accordance with the current medium term financial plan.
- 4.13 The draft budget proposes that the 2019/20 levy is maintained at 2018/19 levels whilst recognising additional costs pressures in the medium term including new statutory responsibilities around congestion management and road safety and the increasing costs of the subsidised bus network.
- 4.14 The proposed budget has been delivered through:
- Renegotiated contracts;
 - Renegotiated bus operator reimbursements;
 - Increased staff recharges to capital projects;
 - Success with grant awards; and
 - Seeking more commercial revenue including CCTV and advertising and retail opportunities.
- 4.15 The proposals have been endorsed subject to work commencing in early 2019 to inform 2020/21 requirements in respect of:
- Ring & Ride service provision; and
 - Options for introducing universal parking charges at existing Park & Ride sites.
- 4.16 It should be noted that any proposed policy changes in respect of transport delivery would require full public consultation.
- 4.17 The proposed budget confirms the delivery of all existing policies, protects sustainability and continues to transition technology as well as deliver key transport initiatives. The proposed budget for Transport for West Midlands and associated levy for 2019/20 – 2023/24 is summarised in the following table and supported by a detailed analysis in Appendix 1.

Table 6: Summary Transport Revenue Budget 2019/20 to 2023/24

Transport 5 Year Position	2018/2019		2019/2020		2020/2021		2021/2022		2022/2023		2023/2024	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
English National Concessions Travel Scheme	52.2	45.1%	51.2	44.2%	50.6	43.6%	50.2	43.2%	49.7	42.7%	49.3	42.1%
Capital Financing	12.9	11.2%	12.5	10.8%	11.5	9.9%	11.5	9.9%	11.3	9.7%	11.3	9.7%
TfWM Policies	44.7	38.7%	45.9	39.7%	48.2	41.6%	48.5	41.8%	49.6	42.5%	50.3	43.0%
Strategic Development	2.3	2.0%	2.3	2.0%	2.3	1.9%	2.4	2.1%	2.5	2.1%	2.5	2.2%
Business Support & Elected Members	3.6	3.1%	3.8	3.3%	3.5	3.0%	3.5	3.0%	3.5	3.0%	3.6	3.1%
Total Expenditure	115.7	100.0%	115.7	100.0%	115.9	100.0%	116.2	100.0%	116.6	100.0%	117.0	100.0%
Use of Reserves	1.0		1.0		1.0		0.0		0.0		0.0	
Proposed Levy	114.7		114.7		114.9		116.2		116.6		117.0	
Total Funding	115.7		115.7		115.9		116.2		116.6		117.0	

- 4.18 The summary above illustrates a proposed levy in 2019/20 of £114.7 million. This maintains a cash flat position when compared with 2018/19 and provides no material movements.

4.19 The use of £1.0 million a year of reserves for the 3 years 2018/19 – 2020/21 to enable a corresponding levy reduction for the 3 year period reflects one-off capital financing cost savings in 2017/18 and continues to support the indicative cash flat position.

5.0 West Midlands Combined Authority Operational Budget

5.1 Following conclusion of the detailed annual planning and budgeting process undertaken in November 2018, the proposed West Midlands Combined Authority Operational Budget is summarised in the following table. Appendix 2 sets out in more detail each of the Portfolio areas.

Table 7: Summary WMCA Operational Budget 2018/19 to 2023/24

	2018/2019 £m	2019/2020 £m	2020/2021 £m	2021/2022 £m	2022/2023 £m	2023/2024 £m
Constituent Members	4.6	4.6	4.6	4.6	4.6	4.6
Non-Constituent Members	0.4	0.4	0.4	0.4	0.4	0.4
Investment Income	0.5	1.7	1.6	1.8	1.8	1.8
Adult Education Budget	0.2	84.2	126.0	126.0	126.0	126.0
Devolution Funding	5.4	10.6	6.7	4.0	2.0	1.4
New Revenue Streams (Economic Growth & PSR)	0.0	0.4	0.0	0.0	0.0	0.0
3rd Party	0.2	0.1	0.0	0.0	0.0	0.0
Reserves	0.5	1.1	0.0	0.0	0.0	0.0
Total Funding	11.8	103.1	139.3	136.9	134.9	134.3
Productivity and Skills	4.7	92.5	131.5	129.1	127.2	127.2
Housing & Land	1.1	2.4	2.2	2.2	2.1	1.6
Economic Growth	1.8	2.0	1.7	1.4	1.4	1.4
Health & Wellbeing	0.7	0.7	0.7	0.8	0.8	0.8
Public Sector Reform	0.8	1.1	0.5	0.5	0.5	0.5
Environment	0.0	0.2	0.3	0.3	0.3	0.3
Corporate Support	2.7	4.2	3.9	4.0	4.1	4.2
Total Expenditure	11.8	103.1	140.6	138.2	136.3	135.9
Net Expenditure	-	-	-1.3	-1.3	-1.4	-1.6

- 5.2 The West Midlands Combined Authority Operational budget delivers the following in the medium term planning period:
- West Midlands Combined Authority commitments on the Environment Strategy
 - Maximising the economic and social contribution that culture and creative industry makes to the region
 - Public Sector Reform - Inclusive Growth delivery
 - Delivery of the Regional Skills Plan
 - Directing the devolved Adult Education Budget to meet regional priorities
 - Local Industrial Strategy business case development
 - Efficiency Targets for 2020/21 to deliver budgets within existing fee levels
 - Onward discussions with HM Treasury around strategic sustainable funding
 - Growth in WMCA capacity delivered at no additional cost to Metropolitan councils

5.3 The commitment to fund the delivery of the Commission outcomes has been successful in levering in significant Central Government and local matched funding. Across the West Midlands Combined Authority Operational Budget the level of Devolution Deal monies represents at least a 200% cash match against local resources. In essence, for every £1 of local funding contributed, £2 of additional funding has been levered for the region.

5.4 The West Midlands Combined Authority capital resources will enable leverage from a range of other investors both public and private sector. The intention during 2019/20 is to secure an indication of the overall leverage across the range of West Midlands Combined Authority programmes and report on this leverage as part of the regular suite of finance reports being developed.

5.5 Significant funding has also been levered for the West Midlands region through the wider public sector. For example, the Health and Wellbeing Portfolio is supporting people into work and whilst in work, by delivering an expansion of the Individual Placement and Support programme for people with severe and enduring mental health issues. This three year programme has attracted funding of £8.4 million over 3 years from NHS England.

The West Midlands Devolution Deals

5.6 Significant additional government funding has been devolved to West Midlands Combined Authority. Approximately £1.8bn of additional funding has been devolved from Central Government to West Midlands Combined Authority to deliver its priorities through two Devo Deals, a Housing Deal and a Skills Deal since 2016. £500m has been devolved in the last 12 months alone.

5.7 The Autumn 2018 budget announcement also secured for the region:

- Additional £71.5 million Transforming Cities funding;
- £20m - Connected Autonomous Vehicles funding;
- £20m - Mobility Action Zone;
- £165m - Housing for Perry Barr Athletes Village;
- £8.5m - Coventry City of Culture; and
- an opportunity to bid into £675m future high street funds.

- 5.8 Government funding has enabled the creation of a delivery team to drive an ambitious house-building programme and investment in high-tech economic sectors. The Devolution Deals recognised that the region is outperforming others in terms of start-ups and economic growth, and lays the foundations to further improve this performance.
- 5.9 The Housing Delivery Team is now providing additional capacity to work with local authorities, developers and investors to help the West Midlands unlock the new homes needed in the region by 2030. The deals also provided support in the form of £5 million investment to expand construction skills. It puts the region at the vanguard of accessing government funding earmarked for housing and infrastructure.
- 5.10 To support jobs growth in emerging technologies, the deals commit to the West Midlands' role as a global centre for new automotive development such as in electric and driverless cars. This builds on the West Midlands' existing strengths in this sector, focused around Coventry, but with wider benefits to the whole region.
- 5.11 The West Midlands has also been selected to become the innovative home to the UK's first multi-city 5G test bed. The multi million pound trial of new high speed mobile connectivity will pave the way for the future rollout of 5G across the UK, making the West Midlands the first region in the UK ready to trial new 5G applications and services at scale. 5G is short for 'fifth generation mobile networks' and is set to be significantly faster than previous generations, as well as providing reliable and flexible connectivity.
- 5.12 The project will develop a large-scale 5G prototype across the region, with potential hubs in each of the regional clusters of Coventry/Solihull, Birmingham, and the Black Country. A key aspect of the design phase will involve exploring options for shared infrastructure.
- 5.13 Up to £75 million of public funding is available for the project, subject to further development and approval of the business plan. This includes £25 million from the Department for Digital, Culture, Media and Sport (DCMS) and £25 million match funding from regional partners. An additional £25 million may be made available by DCMS at a later stage.

Adult Education Budget

- 5.14 From the 2019/20 academic year, the West Midlands Combined Authority will take responsibility for the region's Adult Education Budget and how it is delivered.
- 5.15 West Midlands Combined Authority aims to align funding with priority growth sectors, particularly those targeted through the Local Industrial Strategy, to drive up skill levels amongst the region's communities to secure sustainable employment and enhance skills at higher levels and ultimately improve productivity across the region.
- 5.15 The total value of funding for 2019/20 is anticipated to be confirmed in early 2019 and is expected to be in the region of £84.2 million in the first part year, rising to approximately £126.0 million a year thereafter. The confirmed funding awarded will be the subject of separate report in the New Year.

Emerging Growth - Future Strategic Intentions

- 5.16 The 2019/20 budget proposals currently provide limited flexibility to enable West Midlands Combined Authority to pursue opportunities at risk and to respond to new opportunities that will help support the region's collective strategic objectives.
- 5.17 WMCA senior leadership team collectively agree ownership of the challenges and flexibility required to deliver emerging growth asks and ambitions as follows:

- Energy Capital and Energy Strategy delivery
- Innovation Board support and delivery programme
- West Midlands Combined Authority performance and assurance strengthening framework
- Local Industrial Strategy – longer term implementation
- 5G – more explicit in business plans and potential top slice of grants
- Brexit – activating contingency planning in the event of no deal or disrupted transition
- Culture – refresh of Culture Board and supporting programmes

5.18 A Financial Strategy will be developed over the medium term to create flexibility to enable delivery of new income streams including:

- Developing programme business cases;
- Developing new asks of government;
- Exploring the potential to create one off funds; and
- Providing for a complete rethink in the event of an economic shock.

6.0 Mayor's Budget and Precept

- 6.1 In his Renewal Plan, the Mayor committed to raising no precept before 2018 and has now committed to raising no precept during the remainder of his existing term of office which ends in May 2020, meaning that a Mayoral precept will not now be considered by West Midlands Combined Authority until the budget for the 2021/22 financial year is considered.
- 6.2 A panel of experts was convened following the Mayoral Election to examine the alternatives to raising a precept, such as business rates supplements, public sector pension fund investment, land value capture and a public sector reform Gainshare fund. The West Midlands Combined Authority Funding for Growth Programme has been established with finance experts from the private sector, local government and academia, and has examined the potential alternatives to a precept.
- 6.3 The funding sources examined have significant potential but are more focused on the medium and long term therefore it is proposed that the draft 2019/20 budget for the Mayor's Office is funded from existing Mayoral Capacity Funding received by West Midlands Combined Authority. A commitment to £1.0 million a year for two years was received from MHCLG in March 2018.
- 6.4 The Mayor must notify the West Midlands Combined Authority of his draft budget before 1 February 2019 and this report represents that notification. The Combined Authority must review the Mayor's Budget and may make a report on it to the Mayor setting out whether they would approve it in its current form and may include recommendations. This must take place before 8 February 2019 otherwise the Mayor's Budget will be deemed approved. If the Combined Authority makes a report then the Mayor must have at least 5 working days to respond and can either make the required changes or not.
- 6.5 The West Midlands Combined Authority must then decide whether to accept the original (or revised) budget or veto it and approve the budget with their amendments. Decisions of the West Midlands Combined Authority are by a 2/3rds majority for setting of the Mayoral budget.

- 6.6 The Localism Act gives local communities the power to approve or veto excessive rises in Council Tax. Central government guidance on excessive increases in council tax will clearly not apply to West Midlands Combined Authority in either 2019/20 or 2020/21, given that the Mayor has recently indicated that he will not be setting a precept during his remaining term of office.

Mayor's Office and delivery of the Mayor's Renewal Plan

- 6.7 The Mayor put forward an ambitious programme of activities in his Renewal Plan, and the Mayor's Office exists to support the Mayor in delivering his manifesto commitments:

- Support the Mayor's schedule of events, meetings and media appearances;
- Ensure the Mayor can listen to and communicate with citizens in the West Midlands effectively;
- Support with briefings and policy review; and
- Oversee the delivery of the Mayor's policy priorities.

- 6.8 The Mayor's Budget for 2019/20 is £0.8 million and includes the staffing costs of the Mayor, the senior team, support staff, policy advisors as well as resources to deliver communications, customer response and events. The proposed budget also includes development of capacity to deliver specific Mayoral initiatives from the Mayor's Renewal Plan, these include 4 areas of focus:

- a. Homelessness Taskforce: To "design out" homelessness in the West Midlands with a co-ordinated organisations from the public, private and voluntary sectors;
- b. Leadership Commission: To reshape the leadership of the West Midlands across industries to more closely reflect the make-up of the region; and
- c. Mayor's Mentors: To provide mentoring opportunities for young people in the West Midlands to drive career aspiration.

7.0 The Medium Term Financial Plan

- 7.1 The Medium Term Financial Plan contained within the budget setting papers for 2018/19 has been reviewed and updated to reflect revised funding levels receivable from Constituent Authorities and devolution funding granted by Central Government as well as other funding streams for specific projects. The financial planning horizon has been extended to 2023/24 and the Medium Term Financial Plan includes the following:

- The West Midlands Combined Authority Transport Levy for Transport for West Midlands;
- The West Midlands Combined Authority Operational Budget;
- Investment Programme Governance and Interest Payable costs; and
- The Mayoral Office.

- 7.2 A summary of the Consolidated West Midlands Combined Authority Medium Term Financial Plan is set out in the following table:

Table 8: Consolidated Medium Term Financial Plan

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Transport Levy	114.7	114.7	114.9	116.2	116.6	117.0
Devolution Deal Grants	42.5	132.1	169.2	166.5	164.5	163.9
New Revenue Stream	0.0	0.4	0.9	1.0	1.0	1.0
Business Rates Growth	8.1	6.0	7.5	9.0	10.5	12.0
Business Rates Supplement	0.0	0.0	34.1	34.1	34.1	34.1
Constituent Membership	4.6	4.6	4.6	4.6	4.6	4.6
Non Constituent Members	0.4	0.4	0.4	0.4	0.4	0.4
Funding of Mayoral Election	0.0	0.0	2.2	0.0	0.0	0.0
Investment Income	0.5	1.7	1.6	1.8	1.8	1.8
Mayoral Precept	0.0	0.0	0.0	6.3	6.4	6.4
3rd Party Income/Other	0.6	0.1	0.0	0.0	0.0	0.0
Use of Reserves	1.5	2.1	1.0	0.0	0.0	0.0
Total Funding	172.9	262.1	336.5	340.0	339.9	341.3
Transport for West Midlands Levy	115.7	115.7	115.9	116.2	116.6	117.0
Operational Budget	11.8	103.1	140.6	138.2	136.3	135.9
Investment Programme: Interest Payable	3.6	6.3	19.3	27.9	40.4	50.1
Investment Programme Governance	1.0	1.2	1.1	1.1	1.1	1.2
Mayoral Office	0.8	0.8	0.9	1.0	1.0	1.0
Mayoral Election	0.0	0.0	2.2	0.0	0.0	0.0
Revenue Financing of Capital Expenditure	40.0	35.0	57.7	56.9	45.9	37.8
Total Expenditure	172.9	262.1	337.8	341.3	341.3	342.9
Net Expenditure	-	-	-1.3	-1.3	-1.4	-1.6

- 7.3 Whilst officers have taken on board Metropolitan Leaders' feedback following the 2018/19 budget process primarily highlighting the need for greater engagement, it is also recognised that more could be done to develop the presentation of West Midlands Combined Authority's budget as the individual portfolio activities gather pace and to further strengthen collaborative engagement by Portfolio Leads. This will help to develop clearer ownership of the budget proposals being put forward and also a clearer all round understanding of the impact of proposals on the overall forward plan. A process and timetable will be developed and shared with Metropolitan Leaders for consideration in February 2019, when the views of the Metropolitan Chief Executives and Finance Directors have been sought.
- 7.4 The indicative Medium Term Financial Plan for 2019/20 assumes a cash flat funding requirement from Constituent Authorities both in terms of the Transport for West Midlands levy and their contributions to the West Midlands Combined Authority Operational Budget. Whilst this currently represents the planning assumption, it is acknowledged that this creates a potential financial risk specifically with regard to inflationary increases, pay and legislative changes and demand in terms of patronage and the impact of these risks will be kept under review.

- 7.5 Assumptions have been made around pay and price rises and the Consumer Prices Index along with changes in patronage and fares. Any variation on this for 2019/20 will need to be managed within the available resources. These clearly may change significantly over the medium term meaning a cash flat position may not be achievable without changes to policy.
- 7.5 The potential changes in governance arrangements in respect of the West Midlands Fire and Rescue Services and the Office of the West Midlands Police and Crime Commissioner will require one off costs and the West Midlands Combined Authority will be working with partners to identify how these will be funded.
- 7.6 The Medium Term Financial Plan incorporates a broad estimate of the financial impact of the following risks and sensitivities:
- Demographic growth and demand pressures specifically where transport payments and services are directly affected by patronage demands;
 - Inflation;
 - Brexit, to the extent that there may be potential for increased costs of supply of labour, good and services; and
 - Business Rates Retention Scheme and the achievement of growth targets, including the retention mechanism currently being developed through the West Midlands Finance Directors' Group.
- 7.7 These assumptions will be kept under review with the Finance Directors of the seven Constituent Authorities.

8.0 West Midlands Combined Authority Medium Term Capital Programme

- 8.1 The West Midlands Combined Authority Capital Programme is summarised in the table below and set out in further detail within Appendices 4 to 7. The table below summarises the planned capital investment between 2019/20 and 2023/24.

Table 9: Summary West Midlands Combined Authority Capital Programme

£ MILLION	CAPITAL EXPENDITURE FORECAST					GRAND TOTAL
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
Investment Programme - TFWM Sponsored Schemes	194.77	232.66	259.36	247.99	532.39	1,467.18
Transforming Cities Programme	10.70	18.69	13.61	72.50	-	115.50
TFWM Minor Works Programme	16.07	3.20	1.29	1.29	1.29	23.15
Sub Total - TFWM Capital Expenditure	221.54	254.55	274.27	321.78	533.68	1,605.82
WMCA Other Capital Schemes	63.00	58.00	96.50	73.46	-	290.96
Collective Investment Funds	50.00	45.00	65.00	40.00	-	200.00
Sub Total - WMCA Other Capital Expenditure	113.00	103.00	161.50	113.46	-	490.96
Capital Grants To Other Local Authorities	215.03	236.11	243.03	152.81	449.77	1,296.76
Capital Expenditure Grand Total	549.58	593.66	678.79	588.06	983.45	3,393.54

- 8.2 Approximately half of the Combined Authority's planned capital investment consists of expenditure incurred by Transport for West Midlands in pursuance of the Investment Programme, Transforming Cities Programme and the Minor Works Programme.

- 8.3 Transport for West Midlands Investment Programme expenditure consists mostly of investment in Metro and Sprint networks in addition to significant investment in local Rail enhancements. The Transforming Cities Programme includes the recently approved package of measures including Birchley Island, Dudley Interchange and the regional Cycling Programme. The Minor Works Programme is predominantly concerned with keeping existing assets in an operational state and also includes project development and the delivery of Park and Ride sites such as Longbridge.
- 8.4 Other Capital Expenditure is defined as expenditure in pursuance of the wider Combined Authority remit out-side of transport and includes investment in 5G, Land Remediation and the Collective Investment Fund.
- 8.5 It should be noted that, as shown in Appendix 5, an extension to the Collective Investment Fund financial limit is planned as part of the Capital Budget for the Authority. This is due to the success of the existing fund which is almost at capacity and also, the aspirations of the Combined Authority to have a fund which is targeted at a residential loan facility. It is intended that the residential fund helps the Housing Delivery Team onto a sustainable financial footing once the devolved grant is exhausted. These new commercial funds will, however, be subject to the appropriate approvals prior to any commitments being made.
- 8.6 Grants to Local Authorities are essentially payments to constituent Local Authorities who are delivering component parts of the Investment Programme or where the Combined Authority are the Accountable Body in respect of delivery expectations (i.e. the Athlete's Village grant). Most notably in 2019/20 grants to Local Authorities will be for investment in Coventry (Station Masterplan and Friargate), Land Remediation managed by the Black Country LEP, UK Central and the Athlete's Village in Perry Barr.

9.0 Investment Programme

- 9.1 The West Midlands Combined Authority Investment Programme consists of an £8 billion package of measures designed to stimulate and grow the West Midlands economy with a focus on maximising the benefits from HS2. The programme was originally funded through a broad range of sources, including a £2 billion commitment from West Midlands Combined Authority, underpinned by four pillars of income over a 30 year period; these being Devolution Deal Grant, Mayoral Precept, Business Rates Growth and Business Rates Supplement.
- 9.2 The capital investment associated with the Investment Programme is detailed within Appendix 7 which details the amount of spend expected to be incurred delivering the programme to 2023/24.
- 9.3 The final stage in the Investment Programme Assurance Process results in programmes receiving a commitment by the Combined Authority to fund part or all of an Investment Programme scheme. The Combined Authority can make this commitment to borrow to fund capital expenditure only if it has certainty over the long term revenues required to repay the debt and interest costs. Visibility over each 'commitment to fund' is provided to Investment Board each month.
- 9.4 It should be noted that of the four long term income pillars detailed above, only the Devolution Deal Grant is considered to be substantially secured over the 30 year term with the Combined Authority being required to adequately address the five yearly gateway reviews which are a condition of the grant; the first of which will be undertaken during 2020/21 with the outcome being determined in March 2021.

- 9.5 The remaining three income sources continue to be developed by the West Midlands Combined Authority but it is possible these income sources will not be realised as originally conceived.
- 9.6 Based on the sequencing of business cases through the Assurance Process, the West Midlands Combined Authority expects to fully exhaust the buying power of the Devolution Deal Grant during 2019/20, having made 'commitments to fund' over £750 million of Investment Programme schemes which will be delivered over the next circa 8 years. In order to continue making commitments to fund schemes after this point, sustainable, long term revenue sources of circa £200 million will need to be identified to allow all the scheduled business cases to pass through the assurance process in 2019/20. Post 2019/20 there remains a significant amount to secure.
- 9.7 The income required to fund the Investment Programme will be generated from a combination of the Combined Authority realising the remaining three original pillars of income detailed above and new deals / arrangements being made with stakeholders including public / private partnerships, land value capture and agreements with central government.
- 9.8 Work was undertaken throughout the autumn to articulate the scale of the issue and agree a strategy with Leaders to identify viable solutions which consist of both income generation and cost avoidance / reduction. Regular updates against these strategies will continue to be provided to Investment Board and West Midlands Combined Authority Board throughout 2019/20.
- 9.9 It should be noted that the 2019/20 Capital Programme as presented within this report is considered to be unaffected by the issues detailed above. The later years of the programme are more exposed to the issues concerning income available to repay debt but no attempt has been made at this stage to trim the investment aspirations of the Combined Authority in this report.
- 9.10 Ultimately, if the Combined Authority are unable to close the gap between Investment Programme commitments and available funding, it is likely schemes could encounter delays and / or the overall Investment Programme will need to be scaled back in consultation with Leaders.

10.0 Budget Calculation

- 10.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer, in this case, the Director of Finance, as Section 151 officer to report to the West Midlands Combined Authority when it is setting the budget and the precept. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 10.2 The budget currently provides for the financial implications of the West Midlands Combined Authority's policies to the extent that these are known or can reasonably be assessed. However, there are a number of risks which are beyond the West Midlands Combined Authority's control and for which it is not possible to be precise:
- The West Midlands Combined Authority's demand-led services;
 - Inflation and interest rate volatility;
 - West Midlands Pension Fund Investment Performance; and
 - Unforeseen emergencies.

- 10.3 The existing General Reserve Balance as set out in Table 2 is £2.3 million. This balance represents only 1.9% of the aggregate proposed 2019/20 Constituent Authority contributions.
- 10.4 Although clearly the appropriate level of general fund reserves is a matter for judgement by the Finance Director (Section 151 Officer) the Audit Commission recommend that general fund reserves should be between 5% and 7.5% of expenditure. The proposed balance is significantly below this recommended level and consideration should be given over the medium term to increase the level of General Balances to ensure risk can be managed within the West Midlands Combined Authority without creating volatility on the Transport for West Midland's levy.
- 10.5 Members will also be aware of our obligations as a Best Value authority to make arrangements to secure continuous improvement in the way in which our functions are exercised, having regard to a combination of economy, efficiency and effectiveness, including consultation with tax payers and users as appropriate.
- 10.6 These obligations are addressed in the medium term financial planning and brought together as part of the annual budget process in this report and the February 2018 Cabinet budget report. This is supplemented by additional Cabinet reports throughout the year with regard to the approval of significant investments and reforms.
- 10.7 Despite the above risks, there are also a number of opportunities to consider to ensure optimum financial stability and security that include:
- Capital Financing, making best use of capital financing, including optimum use of access to the Public Works Loans Board; and
 - Treasury Management activity, maximising the current market opportunities for the West Midlands Combined Authority and reviewing the borrowing strategy.
- 10.8 The Director of Finance states that to the best of her knowledge and belief these budget calculations are robust and have full regard to:
- The West Midlands Combined Authority's Strategic Economic Plan and the Mayor's Renewal Plan;
 - The need to protect the West Midlands Combined Authority's financial standing and risk;
 - The estimated financial position as at the end of 2018/19;
 - The financial policies of the government as they impact upon the West Midlands Combined Authority;
 - The Transport Capital Programme set out in Appendix 4;
 - The Investment Programme set out in Appendix 5;
 - The strength of the West Midlands Combined Authority's financial control procedures including audit considerations; and
 - The extent of the West Midlands Combined Authority's general balances and earmarked reserves.

11.0 Scrutiny of the budget proposals

- 11.1 Scrutiny of the 2019/20 budget proposals is being undertaken by the Overview and Scrutiny Committee's Budget Task and Finish Review Group which is meeting with the Mayor, the Portfolio Lead for Finance and key senior officers to complement the work already being carried out by the Transport Delivery Committee.
- 11.2 The conclusion of this work will inform the Overview and Scrutiny Committee which will be meeting during week commencing 30 January 2019 to consider what comments it wishes to make to the West Midlands Combined Authority Board as part of the budget consultation.
- 11.3 A copy of the commentary will be made available in time for the West Midlands Combined Authority Board on 8 February 2019.

12.0 Legal Implications

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

13.0 Equalities Implications

- 13.1 West Midlands Combined Authority will continue to have due regard to proactively addressing the three elements of the Public Sector Equality Duty in all relevant areas – in particular the planning and delivery of our services. The West Midlands Combined Authority will continue to assess the equality impact of all relevant transformational change programmes and will ensure that the West Midlands Combined Authority Board has sufficient equalities assessment information to enable it to have due regard to the three elements of the Equality Duty when considering the budget for 2019/20.
- 13.2 West Midlands Combined Authority will continue to ensure best practice is followed with regard to these requirements and will summarise its position in the February Report to the West Midlands Combined Authority Board following the finalisation of the budget proposals.

14.0 Inclusive Growth Implications

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

15.0 Geographical Area of Report's Implications

15.1 The budget proposals encompass the West Midlands region.

16.0 Appendices

Appendix 1 – Transport Delivery Revenue Budget

Appendix 2 – WMCA Operational Budget

Appendix 3 – WMCA Capital Programme Summary

Appendix 4 – Transport Capital Programme

Appendix 5 – Other Capital Expenditure

Appendix 6 – Capital Grants to Local Authorities

Appendix 7 – WMCA Investment Programme

Proposed Transport Revenue Budget

The proposed transport budget and levy for 2019/20 – 2023/24 are set out below:

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	£m	£m	£m	£m	£m	£m
Transport Levy	114.7	114.7	114.9	116.2	116.6	117.0
Use of reserves	1.0	1.0	1.0	-	-	-
Total Funding	115.7	115.7	115.9	116.2	116.6	117.0
Concessions						
National Bus Concession	52.2	51.2	50.6	50.2	49.7	49.3
Metro / Rail	4.5	4.6	4.6	4.6	4.6	4.6
Child Concession	9.6	7.6	7.7	7.7	7.8	7.9
	66.3	63.4	62.9	62.6	62.1	61.9
Bus Services						
Bus Stations / Infrastructure	3.5	4.3	4.1	4.2	4.4	4.5
Subsidised Network	8.5	9.4	9.6	9.7	9.8	9.9
Tendering / Monitoring	0.7	0.8	0.8	0.8	0.8	0.9
Accessible Transport	7.3	7.3	7.3	7.3	7.3	7.4
	20.0	21.7	21.8	22.1	22.3	22.6
Rail and Metro Services						
Metro Services	1.6	1.6	3.9	3.7	4.3	4.3
Rail Services	2.2	2.2	2.1	2.1	2.1	2.2
	3.8	3.8	6.0	5.8	6.3	6.4
Integration						
Safety and Security	0.6	1.0	0.8	0.8	0.8	0.8
Passenger Information	5.2	5.0	5.1	5.3	5.4	5.4
Sustainable Travel	0.3	0.4	0.4	0.4	0.5	0.6
	6.1	6.5	6.3	6.5	6.7	6.8
Network Resilience	0.9	1.8	1.8	1.8	1.8	1.9
Business Support Costs	3.3	3.5	3.2	3.2	3.3	3.3
Strategic Development	2.3	2.3	2.3	2.4	2.5	2.5
Elected Members	0.3	0.3	0.3	0.3	0.3	0.3
Capital Finance Charges	12.9	12.5	11.5	11.5	11.3	11.3
Total Expenditure	115.7	115.7	115.9	116.2	116.6	117.0
Net Expenditure	0.0	0.0	0.0	0.0	0.0	0.0

£51.2 million English National Concessions Travel Scheme (ENCTS)

This represents the reimbursement for ENCTS and is regulated by the Secretary of State with guidance provided by the Department for Transport. The latest price information and patronage figures from bus operators have been taken into account in forecasting the ENCTS requirement. The current scheme extends entitlement from 9.30am to the last bus. The proposal is for this to continue for 2019/20.

£11.2 million Capital Financing

The capital financing costs relate to loan interest, minimum revenue provision requirements and transport development costs.

£1.3 million Deregulation Pension Deficit

The deregulated pension costs relate to the pension commitments arising from deregulation in 1986, when a significant number of employees transferred from the Transport Authority to Transport for West Midlands, but their pension rights accrued to that date remained an obligation of the Passenger Transport Executive.

£7.6 million Child Concessions

The provision of concessionary half fare travel is provided to all children aged five to 15 and 16-18 scholars (in full time education) residing in the West Midlands. The Child Concessions amount now also includes a half fare offer for apprentices and trainees aged 16-18 which was initially introduced as a pilot scheme in September 2017 and has now been fully incorporated into the main Child Concessions scheme.

£9.4 million Tendered Services

Where standards for access to the network are not met commercially, services are categorised into an order of priority giving a focus on journeys to work and access to shopping and health facilities. In residential areas, the maximum desirable walking distance to bus services in continuously built-up areas is 400 metres during the hours of 07.00 to 19.00 on Monday to Saturday and 700 metres at other times. The current access standards state that where passenger boarding exceeds eight and the cost per head is less than £1.60, then a service will be provided.

£7.3 million Accessible Transport

This expenditure funds services for 17,500 registered users, making around 0.85 million journeys per annum. In addition to the Ring and Ride service, a Walsall and Birmingham shopper's service is provided for older people who are primarily based in sheltered housing and a prison visitors service provides assistance for families, especially mothers with young children, to visit family members in prison.

£5.0 million Passenger Information

Passenger information expenditure relates to providing real time information across the network; customer information at bus stops, bus stations, on line, and includes the customer services teams and telephone support. This is provided in conjunction with the operators as part of the network commitments, which also includes a number of promotional campaigns throughout the year.

£4.6 million Rail and Metro Concessions

In the West Midlands the free national bus scheme has been extended to residents to include local Rail and Metro services within the region, enabling cardholders to travel after 9.30am up to midnight on weekdays and all day at weekends and bank holidays.

£4.5 million Bus Services / Infrastructure

These costs cover the operation of bus stations and all management and maintenance associated with bus stations, as well as over 12,200 stops and shelters.

£3.4 million Rail and Metro Services

These costs cover the operation of the Metro and Rail and Metro car park and ride facilities. Rail and Metro car parks are provided free of charge within the Metropolitan area. This policy provides in excess of 9,000 parking spaces.

Within here also covers the undertaking of Transport for West Midlands Rail responsibilities including Rail Partnerships, Rail scheme development and industry engagement and secondly the WMCA contribution to WMR Limited (a consortium of 16 local authorities) which has specific co-responsibilities with the Department for Transport for managing the West Midlands Rail franchise.

£2.4 million Strategic Development

This represents the costs of Policy and Strategy development within Transport for West Midlands.

£1.0 million Safety and Security

Safety and security expenditure relates to the Safer Travel Police Team and the CCTV centre based in 16 Summer Lane. The CCTV centre will continue to be expanded as part of the drive to utilise this facility across the districts.

£0.8m Tendering/Monitoring costs

Associated costs related to administering and monitoring the Bus Network

£0.4 million Sustainable Travel

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

£3.5 million Business Support Costs

This covers the costs of 16 Summer Lane and the provision of ICT, Legal, Procurement, Health and Safety, Equalities, Programme Management, Finance, Human Resources, Business Management and general business infrastructure and support.

£0.4 million Elected Members

This represents the cost of elected members related to the responsibilities of the Transport Delivery Committee (and sub-boards) and officer and associated support costs in relation to this.

Proposed West Midlands Combined Authority Operational Budget

The proposed operational budget for 2019/20 – 2023/24 reflects delivery of the **collective aspirations** of the West Midlands region, as we aim to deliver sustained and inclusive growth for everyone across the region that connects residents to opportunities that are created by this investment. The proposed operational budget 2019/20 – 2023/24 is summarised in the following table:

	2018/2019 £m	2019/2020 £m	2020/2021 £m	2021/2022 £m	2022/2023 £m	2023/2024 £m
Productivity and Skills	4.7	92.8	131.5	129.1	127.2	127.2
Housing & Land	1.1	2.4	2.2	2.2	2.1	1.6
Economic Growth	1.8	2.0	1.7	1.4	1.4	1.4
Health & Wellbeing	0.7	0.7	0.7	0.8	0.8	0.8
Public Sector Reform	0.8	1.1	0.5	0.5	0.5	0.5
Environment	-	0.2	0.3	0.3	0.3	0.3
Corporate Support	2.7	3.9	3.9	4.0	4.1	4.2
Total Expenditure	11.8	103.1	140.6	138.2	136.3	135.9

Further details of what the proposed budget will deliver for each portfolio, including budgeted staffing costs, numbers of full time equivalent staff and comparative information for 2018/19 are set out in the following annexes:

Annex A – Productivity and Skills Portfolio

Annex B – Housing and Land Portfolio

Annex C – Economic Growth Portfolio

Annex D – Health and Wellbeing Portfolio

Annex E – Public Service Reform Portfolio

Annex F – Environment Portfolio

Annex G – Leadership & Corporate Support

Productivity and Skills Portfolio

Projects and work streams that will be delivered in 2019/20:

1. Prepare our young people for future life and work:
 - Publish the West Midlands Careers Strategy
 - Establish a regional Careers Hub to implement an all age careers offer by 2020.
 - Digital platform for work experience in trial
 - Menu of mentoring services
 - Engage 3,000 young people in the Mayor's Mentors Programme

2. Create regional networks of specialist technical education and training:
 - Clear investment plan for technical education in the West Midlands
 - Regional approach to sourcing good work experience placements
 - Regional approach to (skills-related) employer engagement agreed
 - More higher level skills (L3) delivered through AEB:
 - Construction
 - Digital
 - Automotive
 - Professional services
 - Creative
 - 2375 people trained through the Construction Gateway and On-site hubs with 1126 moving into work
 - Develop and deliver a West Midlands Business & Professional Services skills plan
 - Regional Business & Professional Services training offer established – for employers and individuals
 - Develop and deliver a West Midlands Digital Skills Plan
 - West Midlands Digital training offer established – for employers and individuals – 500 to be trained with 330 moving into work
 - Programme developed to train 60 people in cyber skills, of which 30 enter good jobs

3. Accelerate the take up of good quality apprenticeships across the region:
 - Increase in good quality Apprenticeship starts across the WM, particularly in STEM and priority sectors
 - £10m levy funding committed to West Midlands apprenticeship fund

4. Deliver inclusive growth by giving more people the skills to get and sustain good jobs and careers
 - 300 16-24 year old unemployed young people engaged and supported through progression coaches
 - 150 young unemployed people undertake work experience placement
 - Develop Target Operating Model for high quality employment support across the West Midlands
 - 2022 people supported through the Connecting Communities employment support pilot with 699 moving into work and 623 increasing their income

5. Develop a new approach to commissioning and delivering provision funded through the Adult Education Budget to include a shift in higher level skills delivered in priority sectors, pre-apprenticeships and targeted training to improve employment and careers prospects for 1500 unemployed and low skilled adults by 2020.
6. Promote the concept of a skills ecosystem for the region which recognises the interdependence of schools, FE, HE, Adult and Community Learning and private and voluntary training providers and facilitates stronger collaboration, with employers, to address regional skills needs.

Productivity and Skills Portfolio	2018/19 Budget £	FTE (no.)	2019/20 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	443,068		559,474	
Adult Education (grant funded)	200,000		84,195,529	
Employment Support Pilot	1,828,644		2,278,135	
Construction Skills	1,666,000		3,556,476	
Digital Skills	-		1,741,000	
HS2 Skills	175,452		205,606	
Gatsby Funds	100,000		100,000	
Use of reserves	331,768		177,384	
Total Funding	4,744,932		92,813,604	
Staff Costs (Membership fee funded only)	420,672	6.0	505,141	7.0
Commissioning - various skills research projects	375,569		231,717	
Adult Education	178,595		84,195,529	
Construction Skills	1,666,000		3,556,476	
Employment Support Pilot	1,828,644		2,278,135	
Digital Skills	-		1,741,000	
HS2 Support	175,452		205,606	
Gatsby Support	100,000		100,000	
Total Expenditure	4,744,932		92,813,604	
Total	-		-	

Fee Funded Posts 2019/20:

Productivity & Skills

Director of Productivity & Skills (70%), Programme Lead for Skills, Employment & Productivity, Head of Business Engagement, Apprenticeship Manager, Apprenticeship Broker, Employment Support Manager, Senior Policy Advisor, Project Support Officer.

Grant Funded Posts 2019/20:

Employment Support Pilot - Connecting Communities

Project Manager (Mayor's Mentors 0.5 FTE), Compliance Officer x 2

HS2 Skills

Apprenticeship Broker x 2, HS2 Lead.

Gatsby Skills

T-Level Planning Manager.

Construction Skills

Director of Productivity & Skills (30%), Construction Project Manager, Apprentice.

Adult Education Budget

Monitoring Officer, MI Analyst, Head of Skills Delivery, Business Engagement Manager, Administrator, Stakeholder Officer, Programme Officer, Procurement Officer, Solicitor (0.5 FTE).

Career Learning Pilot

T-Level Planning Manager (50%)

Digital Skills

Digital Skills Project Manager, Digital Skills Partnership Manager.

Housing and Land Portfolio

Projects and work streams that will be delivered in 2019/20:

1. Develop a regional spatial investment and delivery plan (SIDP)
2. Increase the supply of new homes, making clear progress towards the target of 16,500 new homes per annum (from 12,000 in 2017)
3. Increase the supply of affordable and social housing in the region, making clear progress towards the ambition of tripling the supply from 2,000 homes (2017) to 6,000 by 2026
4. Submit an ambitious regional affordable and social housing deal to Government
5. Secure bespoke new supply agreements with housing associations, large and small, existing and new to the region
6. Launch the single commissioning framework, consistent process and funding portal for all devolved housing and land funds
7. Establish new loan funds, where required, for housing and commercial development
8. Submit revised bid to the national HIF fund
9. Deploy devolved housing and land funds and WMCA resource to secure a step change in the quality, quantum and pace of housing and employment delivery
10. Unlock stalled and complex housing and commercial sites through intervention
11. Develop a regional commercial/employment site pipeline
12. Develop genuine, attractive investment proposals which can be put to the market
13. Secure new partnerships with developers and investors, supported by the new regional commercial property forum
14. Through leadership of the One Public Estate Programme, progress development of a single public land disposals strategy and pipeline
15. Deliver nationally significant projects and programmes
16. Launch the West Midlands Investment Prospectus at MIPIM Cannes
17. Jointly develop with local councils and implement delivery and investment plans for a first wave of 5 town centres
18. Launch a second wave of town centre projects
19. Submit bid to the Government's Town Centre Fund

20. Create corridor investment plans with Walsall to Wolverhampton and Sandwell to Dudley as the first stage of wider growth corridors programme
21. Create a comprehensive pipeline of brownfield housing and employment opportunities on key transport corridors and town centre locations – a national exemplar
22. Contribute to the ambition for 80% of new housing supply on brownfield land by unlocking key sites
23. Secure a nationally leading advanced methods of construction programme including a new AMC strategy and route map
24. Support the take up of AMC in new development proposals but particularly on all sites where WMCA has an interest e.g. through landownership or funding
25. Improve standards of design through the development and implementation of a new regional design charter

Housing and Land Portfolio	2018/19 Budget £	FTE (no.)	2019/20 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	150,450		147,271	
Devolution Funding (Housing & Land)	1,000,000		2,201,321	
Total Funding	1,150,450		2,348,592	
Staff costs	764,450	11.0	1,170,092	15.0
Housing and Land delivery support - Development, investment and master planning expertise	386,000		1,175,000	
Travel & Subsistence	-		3,500	
Total Expenditure	1,150,450		2,348,592	
Net Total	-		-	

Fee Funded Posts 2019/20:

Housing and Land

Director of Housing & Regeneration

Grant Funded Posts 2019/20:

Housing and Land

Head of Land & Delivery, Senior Policy Officer x 3, Head of Policy - Housing & Regeneration, Senior Development Manager x 3, Programme Manager, Graduate x 5, plus Finance, Legal & PA support.

Economic Growth Portfolio

Projects and work streams that will be delivered in 2019/20:

1. Development and delivery of the Local Industrial Strategy.
2. Create conditions to support inclusive, sustainable economic growth, that help make the West Midlands the best place to grow up, live and work.
3. Secure the powers and resources that will deliver on the CA's strategic objectives.
4. Equip the CA with the tools to deliver programmes with impact (evidence led policy and performance - SOTR, Performance Reporting / MI, ODA).
5. Supporting Growth – more resilient, balanced economy, where more residents are contributing to and benefiting from sustained economic growth.
6. Powers and resources – clear definition of CA remit supported by sustainable resourcing model.
7. Tools to deliver – enhanced effectiveness of CA and programmes.
8. Growth – State of the Region Indicators: GVA, productivity, wage levels, progression and participation measures, economic sentiment and resilience.
9. Powers and resources – growth in powers and resources secured for the CA.
10. Tools to deliver – consistent view of CA performance, innovation in data analysis to support evidence led policy making and programme development.

Economic Growth Portfolio	2018/19 Budget £	FTE (no.)	2019/20 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	1,108,623		1,213,954	
Mayoral Capacity Funding	388,000		95,415	
Office of Data Analytics grant funding	200,000		284,041	
Assumed new funding stream to support Local Industrial Strategy	-		200,000	
Use of reserves	100,000		222,000	
Total Funding	1,796,623		2,015,410	
Staff Costs				
Industrial Strategy & Funding for Growth	316,623	3.6	380,585	4.0
Office of Data Analytics (ODA)	200,000	2.0	189,825	3.5
Growth Company Annual Membership Fee	700,000		700,000	
Black Country Economic Intelligence Unit - LIS support and education and skills intelligence	240,000		240,000	
LIS business case development & delivery	-		200,000	
Culture and Tourism - Pilots and Film & Convergent Media Development project	160,000		110,000	
Funding for Growth - Project Support	100,000		-	
Industrial Strategy - Project Support	80,000		100,000	
ODA Project / Consultancy Support	-		95,000	
Total Expenditure	1,796,623		2,015,410	
Net Total	-		-	

Fee Funded Posts 2019/20:

Industrial Strategy & Funding for Growth

Director of Strategy, Head of Policy (0.5 FTE), Programme Development & Research (0.5 FTE), Senior Policy Officer, Policy Officer.

Grant Funded Posts 2019/20:

Office of Data Analytics (ODA)

Senior Policy Officer, Policy Advisor, Head of Policy, Programme Development & Research (0.5 FTE), Apprentice.

Health and Wellbeing Portfolio

Projects and work streams that will be delivered in 2019/20:

1. **Mental Health** – the WM Thrive programme continues to grow and add value to the region – with people now being helped into work through the Individual Placement Support programme, and over 200 businesses signed up for Thrive at Work, impacting on over 62,000 employees.
2. **Youth Justice and Vulnerability** – we are finalising some innovative action research on vulnerable young people within the justice system, which we will be using to develop a platform for better regional collaboration in prevention through 2019 – including bringing forward a proposal for ‘trauma informed practice’ across the region.
3. **Childhood Obesity** – the Wellbeing Board has signed off an approach to childhood obesity (including a junk food ban on parts of the TFWM network) which will be considered by WMCA Board in March 2019 as part of a regional action plan worked up in partnership with Public Health England.
4. **Physical Activity** – building on the development of West Midlands on the move - including establishment of ‘Good Gym West Midlands’, a substantial work programme on disability and sport, support for Commonwealth Games legacy development, and the development of a ‘Black Country Fund’ with Sport England to help address low levels of physical activity.
5. **Digital ‘Radical Prevention’ deal** - a bid is being developed which brings together our regional ambitions around digital and prevention – building on our 5G test bed status to bring in additional health funding for digital innovation developed within the region.
6. **Homelessness & Complex Needs** – working with the Taskforce to develop its objectives – including embedding the £9.6m housing first pilot across the region, and developing a ‘commitment to collaborate’ across public services to help demand management and preventative outcomes for rough sleepers. Findings from the work on complex needs led by WMFS are due to be published, and its intended to use this data as part of a funding bid to develop a regional observatory which could support different methods of intervention.
7. **Collaboration with Police and Fire** – support for WMFS and WMP strategic planning to develop models of collaboration to support prevention, joined up local services and to support demand management goals.
8. **CSR Submission development** – early stage work to begin shaping a Comprehensive Spending Review submission for the region in partnership with LA CEO colleagues.

Health & Wellbeing Portfolio	2018/19 Budget £	FTE (no.)	2019/20 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	676,900		685,961	
Thrive into Work Grant	-		819,756	
Total Funding	676,900		1,505,717	
Staff Costs	459,200	8.0	440,065	7.0
Staff Costs (Thrive into Work Programme)	-	0.0	28,512	1.0
Thrive into Work	-		791,244	
Mental Health Commission Expenses	30,700		31,000	
Mental Health Project / Consultancy Support	100,000		100,000	
Wellbeing Pilots	50,000		-	
Funding contribution to Fiscal Incentive Programme	-		27,897	
Health & Wellbeing Project / Consultancy Support	37,000		87,000	
Total Expenditure	676,900		1,505,717	
Total	-		-	

Fee Funded Posts 2019/20:

Health & Wellbeing

Senior Policy Officer X 4, Physical Activity Lead (Wellbeing), Programme Director (Mental Health 1/3 contribution), Business Support Officer.

Grant Funded Posts 2019/20:

Thrive into Work

Business Support Officer

Public Service Reform Portfolio

Projects and work streams that will be delivered in 2019/20:

1. **Inclusive Growth Unit** - programmes of work to develop an inclusive growth investment toolkit, an inclusive growth framework & evidence base, a population hub developed by Public Health England and a credible citizen engagement programme.
2. **Citizen Engagement** - work in partnership with TfWM to create a 'people's panel' and to create two citizen engagement spaces at major bus stations.
3. **Social Economy Taskforce** - the independent Social Economy Taskforce is developing a suite of recommendations including a stronger social value policy and the creation of regional social finance mechanisms to help grow social economy organisations in key sectors.
4. **Industrial Strategy & Investment Portfolio** - delivering inclusive growth commitments in the Local Industrial Strategy including social value within supply chains, in-work progression and proactive skills development within marginalised communities.
5. **Skills** - working with the Productivity and Skills team on WMCA's approach to youth unemployment to ensure wellbeing, prevention and holistic support for young people is embedded and financed by the regional Skills Deal.
6. **Housing, Town Centres & Inclusive Growth Corridors** - working with the WMCA Housing and Transport teams on ensuring an inclusive growth approach to town centre programme, growth corridors, healthy housing and the region's One Public Estate programme.
7. **Transfer of policing governance and PSR implications** – including substantial work supporting the policy and governance elements of the proposed transfer of PCC powers to the Mayoralty, regional engagement (with Leaders, CEOs and relevant audit and scrutiny committees); development of consultation materials and early stage development of potential transition arrangements.
8. **Transfer of fire service governance and PSR implications** – enabling the transfer of governance from WMFRA to the Mayor, and will continue through increasing collaboration between WMCA and WMFS on PSR, strategy and insight.
9. **5G Digital Public Sector Transformation** – the 5G programme will see the deployment of circa £150m of government, private sector and regional contributions to an emerging 5G mobile network for the region. This includes early test-beds focused on health and public service applications, mobility and advanced manufacturing and citizen connectivity. The team will continue to push forward the social and public value benefits of 5G and digital public services.
10. **West Midlands Office of Data Analytics** – the ODA has limited funding from central government to begin the process of drawing together regional data sources as part of a planned WMCA capability for data analytics to support better policymaking and joint commissioning. There is great potential for this work to support better PS commissioning and enable collaboration between local authorities, health, police and fire over the medium term.
11. **WMCA cross-departmental collaboration – work across the WMCA's other portfolios** – transport, skills, housing, economy, environment, HR and corporate services – to promote an inclusive growth and wellbeing agenda, and be the organisational reference point for social economy, mental health, wellbeing and inclusion.
12. **Supporting place based health and care** – continue to support our regional health and care partnerships, with a place on the West Midlands STP executive, and through the development of our population hub and preventative activities.

Public Service Reform Portfolio	2018/19 Budget £	FTE (no.)	2019/20 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	490,267		521,735	
Mayoral Capacity Funding	100,000		100,000	
Barrow Cadbury Trust	100,000		0	
Assumed new funding stream to support LIS	0		215,000	
Use of reserves (Culture & Tourism)	70,000		285,000	
Total Funding	760,267		1,121,735	
Staff Costs	440,267	5.0	521,735	6.0
PSR Project / Consultancy Support	220,000		100,000	
Inclusive growth - project support	100,000		-	
Delivery of inclusive growth, radical prevention & systems collaboration	-		500,000	
Total Expenditure	760,267		1,121,735	
Net Total	-		-	

Fee Funded Posts 2019/20:

Public Sector Reform

Director of PSR, Chief Executive Support, Implementation Director PSR & Inclusive Growth, Senior Policy Officer x 2, Apprentice plus Finance support.

Environment Portfolio

Projects and work streams that will be delivered in 2019/20:

1. Overall aim to deliver clean and resilient growth, as part of overall WMCA Vision to improve the overall quality of life for everyone.
2. Deliver Environment Portfolio holder and Environment Board workplan to improve how environment is integrated across WMCA strategy, programmes and operations to meet WMCA improvement targets e.g. internal environmental strategy and actions below.
3. Low emission strategy and action plan – working with local authorities and partners to coordinate good practice and support for local action to tackle air quality and greenhouse gases to meet WMCA Targets.
4. Clean growth challenge – using priorities within UK’s first clean growth Local Industrial Strategy to develop a series of programmes with partners to support the growth of clean growth businesses e.g. improved coordination of existing support, competition for new low carbon products to address local demand.
5. Scale up challenge – review of existing good practice within WMCA area and partners that could be scaled up e.g. good practice in procurement, waste, and planning policies
6. Greenspaces and waterways – develop natural environment infrastructure investment plan to help coordinate and attract investment to improve a network of local green and blue spaces. Design standards for housing and infrastructure – use local partners expertise to support our own and others investment standards.
7. Support further development with partners of implementation of new Regional Energy Strategy by Energy Capital.

Environment Portfolio	2018/19 Budget £	FTE (no.)	2019/20 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees			241,915	
Total Funding	-		241,915	
Staff Costs			156,915	3.0
Environment Project / Consultancy Support			85,000	
Total Expenditure	-		241,915	
Total	-		-	

Fee Funded Posts 2019/20:
Environment 2019/20
 Head of Environment, Policy / Project Manager, Graduate/Trainee

Leadership & Corporate Support

Leadership & Corporate Services work to support the WMCA to deliver sustained and inclusive economic growth by offering a joined-up solution and providing a range of services including Communications, Finance, Governance, Human Resources, Information Technology, Legal, Risk Management, Property, Programmes and Project support that help turn ideas into outcomes.

The role of corporate services is to work collaboratively to deliver robust organisational support services that add value and help teams deliver outcomes that make a real difference to the people of the West Midlands.

Corporate Services has played a fundamental role in supporting the transition of the WMCA as it matures and has worked to standardise business processes and policies across the newly established organisation.

Leadership & Corporate Support	2018/19 Budget £	FTE (no.)	2019/20 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	2,207,274		1,698,507	
Investment Income	493,500		1,693,500	
Other income	-		459,597	
Total Funding	2,700,774		3,851,604	
Leadership	381,311	3.0	472,730	4.0
WMCA Central Project / Consultancy Support	100,000		100,000	
Corporate Support Recharges	2,219,463		3,278,874	
Total Expenditure	2,700,774		3,851,604	
Total	-		-	

Fee Funded Posts 2019/20:

Leadership

Chief Executive (CX), Head of CX Office, Executive Assistant to CX, Administrator

Corporate Support Recharges to Operational Budget

Corporate support recharges reflect the distribution between Transport for West Midlands and the Operational Budget agreed in 2018 to meet statutory requirements. In addition the 2019/20 budget reflects capacity growth to support the wider West Midlands Combined Authority agenda, fully funded by additional income including a top-slice of grant income with no net impact on constituent authority fees.

Corporate Services capacity has been strengthened to reflect statutory obligations in relation to the building and build ICT capacity to meet increasing demands.

APPENDIX 3 - WMCA SUMMARY CAPITAL EXPENDITURE

£ MILLION	CAPITAL EXPENDITURE FORECAST					GRAND TOTAL
	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	
Investment Programme - TFWM Sponsored Schemes	194.77	232.66	259.36	247.99	532.39	1,467.18
Transforming Cities Programme	10.70	18.69	13.61	72.50	-	115.50
TFWM Minor Works Programme	16.07	3.20	1.29	1.29	1.29	23.15
Sub Total - TFWM Capital Expenditure (See Appendix 4)	221.54	254.55	274.27	321.78	533.68	1,605.82
WMCA Other Capital Schemes	63.00	58.00	96.50	73.46	-	290.96
Collective Investment Funds	50.00	45.00	65.00	40.00	-	200.00
Sub Total - WMCA Other Capital Expenditure (See Appendix 5)	113.00	103.00	161.50	113.46	-	490.96
Capital Grants To Other Local Authorities	215.03	236.11	243.03	152.81	449.77	1,296.76
Capital Expenditure Grand Total (See Appendix 6)	549.58	593.66	678.79	588.06	983.45	3,393.54

APPENDIX 4 : Transport Capital Programme 2019 / 2020

£ MILLION	CAPITAL EXPENDITURE FORECAST					Grand Total
	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	
A45 Airport and Solihull Sprint	10.00	19.37	19.37	-	-	48.74
Longbridge to Birmingham Sprint	0.15	0.15	8.10	8.99	11.00	28.39
Hall Green to Interchange via Solihull Sprint	0.10	0.10	2.60	1.60	3.11	7.51
A34 Walsall to Birmingham Sprint	7.00	12.00	12.00	1.69	-	32.69
Hagley Road Extension to Halesowen Sprint	2.95	8.39	-	-	-	11.34
Hagley Road Phase 2 & Halesowen Sprint	0.35	7.50	10.47	10.47	10.47	39.26
Dudley to Birmingham Sprint	0.15	2.50	3.32	3.32	3.32	12.60
Sutton Coldfield to Birmingham via Langley Sprint	6.50	10.00	10.00	0.17	-	26.67
Brierley Hill Metro Extension	44.85	55.31	79.57	115.53	28.50	323.74
Birmingham Eastside Metro Extension	57.74	32.74	24.60	4.13	-	119.21
Centenary Square Metro Extension	14.88	3.22	-	-	-	18.10
Edgbaston Metro Extension	15.83	16.71	15.87	-	-	48.41
East Birmingham to Solihull Metro Extension	8.21	17.00	27.50	100.10	154.70	307.51
Wolverhampton Metro Extension	0.84	12.57	-	-	-	13.40
Wolverhampton Car Park & Public Realm	1.50	-	-	-	-	1.50
Camp Hill Line Local Rail Enhancements	5.50	8.23	24.68	-	-	38.41
Bordesley Chords Rail Improvements	-	-	-	-	200.00	200.00
Snow Hill Lines Rail Improvements	-	1.10	1.10	2.00	16.30	20.50
Stourbridge to Round Oak Line Canal St Rail Station	5.43	9.98	4.47	-	-	19.88
Walsall to Wolverhampton Local Rail Enhancements	1.94	6.60	6.65	-	-	15.19
Water Orton Rail Improvements	-	-	-	-	50.00	50.00
Water Orton Local Rail Enhancements	-	-	-	-	55.00	55.00
Tile Hill Park and Ride Rail Expansion	7.76	-	-	-	-	7.76
Sutton Coldfield (Public Transport Package) Interchange and City Link	3.10	9.20	9.06	-	-	21.36
SUB TOTAL TFWM SPONSORED INVESTMENT PROGRAMME SCHEMES	194.77	232.66	259.36	247.99	532.39	1,467.18
Transforming Cities Fund Programme Subject to Approval by WMCA 09/11/2018 :						
Highways Investment Programme , Birchley Island, Dudley Interchange , Spon End, Cycling Programme, University Station, New St / High St / Victoria Sq Public Realm, Regional Transport Coordination Centre, Realtime Information Upgrades, Low Emission Bus Scheme. Programme phasing to be developed	10.70	18.69	13.61	-	-	43.00
TCF - Phase 2 (2018 Budget Announcement)	-	-	-	72.50	-	72.50
SUB TOTAL TRANSFORMING CITIES PROGRAMME	10.70	18.69	13.61	72.50	-	115.50
Network Wide Park and Ride Resurfacing Programme	0.02	-	-	-	-	0.02
Network Wide Park and Ride Expansion Developments -Phase 2	0.04	-	-	-	-	0.04
Asset Management Programme	1.20	1.20	1.20	1.20	1.20	6.00
Connected and Autonomous Vehicles TestBed (CAV)	5.21	-	-	-	-	5.21
ITB Top Slice	0.08	0.08	0.08	0.09	0.09	0.41
Bike Life	0.02	0.02	0.02	-	-	0.05
Key Route Network Safety	2.00	-	-	-	-	2.00
Bradley Lane Park and Ride	0.17	0.00	0.00	-	-	0.18
NPIF 2 Birmingham Growth Point	1.53	-	-	-	-	1.53
Dudley Bus Station Development	-	0.10	-	-	-	0.10
Gateway Controlled Project Development	-	0.30	-	-	-	0.30
University Station Improvement Project	0.98	-	-	-	-	0.98
Snow Hill 3rd Access	1.63	-	-	-	-	1.63
Snow Hill Public Realm	0.15	-	-	-	-	0.15
TBT Bus Initiatives	0.50	-	-	-	-	0.50
Clean Bus Technology Fund 2017-2019	0.80	-	-	-	-	0.80
Longbridge Connectivity Package	1.75	-	-	-	-	1.75
Park and Ride Delivery	-	1.50	-	-	-	1.50
SUB TOTAL TFWM MINOR WORKS	16.07	3.20	1.29	1.29	1.29	23.15
GRAND TOTAL	221.54	254.55	274.27	321.78	533.68	1,605.82

APPENDIX 5 : OTHER WMCA CAPITAL EXPENDITURE

£ MILLION	CAPITAL EXPENDITURE FORECAST					Grand Total
	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	
5G	8.00	8.00	8.00	25.00	-	49.00
Land Remediation Funds (BLPDF)	35.00	10.00	-	-	-	45.00
Land Remediation Funds (Remaining Devo Balance)	-	-	48.50	48.46	-	96.96
Priority Land Sites	20.00	40.00	40.00	-	-	100.00
SUB TOTAL - WMCA OTHER CAPITAL SCHEMES	63.00	58.00	96.50	73.46	-	290.96
Collective Investment Fund	30.00	-	-	-	-	30.00
Collective Investment Fund Extension	10.00	25.00	35.00	-	-	70.00
Collective Investment Fund Residential	10.00	20.00	30.00	40.00	-	100.00
COLLECTIVE INVESTMENT FUNDS	50.00	45.00	65.00	40.00	-	200.00
TOTAL - WMCA OTHER CAPITAL EXPENDITURE	113.00	103.00	161.50	113.46	-	490.96

APPENDIX 6 : CAPITAL GRANTS TO LOCAL AUTHORITIES

£ MILLION	CAPITAL EXPENDITURE FORECAST					Grand Total
	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	
Commonwealth Games	10.00	15.00	-	-	-	25.00
Coventry Station Masterplan (Centre First Package)	26.49	18.61	0.90	1.30	-	47.30
Coventry City Centre South Regeneration	12.70	37.97	33.19	-	-	83.86
Coventry City Centre Regeneration-Friargate	21.61	13.79	-	-	-	35.40
Coventry UKC City Centre South	18.40	21.81	21.34	11.75	82.69	155.99
Coventry UKC North Package	2.25	1.12	8.67	6.12	3.25	21.40
Coventry Very Light Rail	6.91	5.09	2.81	2.49	33.96	51.27
UK Central Infrastructure	12.25	15.47	24.52	52.33	170.14	274.71
UK Central Interchange	11.37	67.25	67.61	78.84	159.73	384.79
Land Remediation Funds (LPIF)	53.04	-	-	-	-	53.04
Perry Barr Athletes Village	40.00	40.00	84.00	-	-	164.00
CAPITAL EXPENDITURE - LOCAL AUTHORITY SPONSORED SCHEMES	215.03	236.11	243.03	152.81	449.77	1,296.76

APPENDIX 7 : INVESTMENT PROGRAMME ANNUAL EXPENDITURE FORECAST TO 2023 / 2024

£ MILLION	FINANCIAL YEAR					Grand Total
	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	
A45 Airport and Solihull Sprint	10.00	19.37	19.37	-	-	48.74
Longbridge to Birmingham Sprint	0.15	0.15	8.10	8.99	11.00	28.39
Hall Green to Interchange via Solihull Sprint	0.10	0.10	2.60	1.60	3.11	7.51
A34 Walsall to Birmingham Sprint	7.00	12.00	12.00	1.69	-	32.69
Hagley Road Extension to Halesowen Sprint	2.95	8.39	-	-	-	11.34
Hagley Road Phase 2 & Halesowen Sprint	0.35	7.50	10.47	10.47	10.47	39.26
Dudley to Birmingham Sprint	0.15	2.50	3.32	3.32	3.32	12.60
Sutton Coldfield to Birmingham via Langley Sprint	6.50	10.00	10.00	0.17	-	26.67
Brierley Hill Metro Extension	44.85	55.31	79.57	115.53	28.50	323.74
Birmingham Eastside Metro Extension	57.74	32.74	24.60	4.13	-	119.21
Centenary Square Metro Extension	14.88	3.22	-	-	-	18.10
Edgbaston Metro Extension	15.83	16.71	15.87	-	-	48.41
East Birmingham to Solihull Metro Extension	8.21	17.00	27.50	100.10	154.70	307.51
Wolverhampton Metro Extension	0.84	12.57	-	-	-	13.40
Wolverhampton Car Park & Public Realm	1.50	-	-	-	-	1.50
Camp Hill Line Local Rail Enhancements	5.50	8.23	24.68	-	-	38.41
Bordesley Chords Rail Improvements	-	-	-	-	200.00	200.00
Snow Hill Lines Rail Improvements	-	1.10	1.10	2.00	16.30	20.50
Stourbridge to Round Oak Line Canal St Rail Station	5.43	9.98	4.47	-	-	19.88
Walsall to Wolverhampton Local Rail Enhancements	1.94	6.60	6.65	-	-	15.19
Water Orton Rail Improvements	-	-	-	-	50.00	50.00
Water Orton Local Rail Enhancements	-	-	-	-	55.00	55.00
Tile Hill Park and Ride Rail Expansion	7.76	-	-	-	-	7.76
Sutton Coldfield (Public Transport Package)Interchange and City Link	3.10	9.20	9.06	-	-	21.36
SUB TOTAL TFWM SPONSORED INVESTMENT PROGRAMME	194.77	232.66	259.36	247.99	532.39	1,467.18
Land Remediation Funds (BLPDF)	35.00	10.00	-	-	-	45.00
Land Remediation Funds (Remaining Devo Balance)	-	-	48.50	48.46	-	96.96
Collective Investment Fund	30.00	-	-	-	-	30.00
SUB TOTAL OTHER WMCA SPONSORED INVESTMENT PROGRAMME	65.00	10.00	48.50	48.46	-	171.96
Commonwealth Games	10.00	15.00	-	-	-	25.00
Coventry Station Masterplan (Centre First Package)	26.49	18.61	0.90	1.30	-	47.30
Coventry City Centre South Regeneration	12.70	37.97	33.19	-	-	83.86
Coventry City Centre Regeneration-Friargate	21.61	13.79	-	-	-	35.40
Coventry UKC City Centre South	18.40	21.81	21.34	11.75	82.69	155.99
Coventry UKC North Package	2.25	1.12	8.67	6.12	3.25	21.40
Coventry Very Light Rail	6.91	5.09	2.81	2.49	33.96	51.27
UK Central Infrastructure	12.25	15.47	24.52	52.33	170.14	274.71
UK Central Interchange	11.37	67.25	67.61	78.84	159.73	384.79
Land Remediation Funds (LPIF)	53.04	-	-	-	-	53.04
Perry Barr Athletes Village	40.00	40.00	84.00	-	-	164.00
SUB TOTAL INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIE	215.03	236.11	243.03	152.81	449.77	1,296.76
GRANT TOTAL INVESTMENT PROGRAMME EXPENDITURE	474.80	478.78	550.89	449.27	982.16	2,935.89

Note: The values above represent the estimated annual out-lay by the Combined Authority in pursuance of Investment Programme schemes. In the case of the Grants to Local Authorities this represents the estimated draw down from the Combined Authority.