



Transport Delivery Committee

Date	11 January 2020
Report title	Financial Monitoring Report
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Report has been considered by	Councillor Akhtar

Recommendation(s) for action or decision:

The Transport Delivery Committee is recommended to:

1. Note that the year to date net revenue expenditure to the end of November 2020 shows a favourable variance of £1.165m compared to budget.
2. Note that total capital expenditure to the end of November 2020 for the overall transport programme was £91.8m, which was £74.5m below the year to date budget of £166.3m. The capital forecast was reduced in September 2020 to £216.4m, which is £65.1m below the annual budget of £281.5m.

1. Purpose

- 1.1 This report sets out the financial position as at 30 November 2020. The content relates to the financial position of the Combined Authority's Transport Delivery Revenue and Capital Budgets and consists of the following Sections:

Section A	Summary TfWM Revenue Budget
Section B	Summary TfWM Capital Budget

SECTION A

2. Section A - Summary Revenue Position

- 2.1 The year to date position on the Transport revenue budget as at the end of November 2020 shows an overall favourable variance of £1.165m against budget.
- 2.2 This favourable variance is primarily driven by lower patronage volumes across the English National Concessionary Travel Scheme and Child Concessions reflecting operators continuing to be paid at pre-COVID-19 levels, as well as savings realised during the set-up of the RTCC through prudent purchasing decisions. The full year forecast also reflects government support in the form of Coronavirus Bus Services Support Grant and Light Rail Restart Grant along with favourable staffing variations.
- 2.3 These savings are largely offset by the impact of Covid-19 driving lower than budgeted digital advertising revenue and the implementation of a departure charge holiday until the end of June 2020, aiming to support bus operators during the crisis.
- 2.4 The second detailed revenue reforecast of the financial year was completed during October 2020. This forecast has benefitted from more certainty regarding central government funding to support the region through the Covid-19 pandemic, as well as more actual data to support forward-looking assumptions.
- 2.5 However, it is important to note that the underlying assumptions used to forecast the latest position in the table overleaf do not reflect the impact of Tier 3 restrictions recently introduced in parts of the region.
- 2.6 It is also important to note that TfWM is continuing to see drops in income and the commercial bus and metro network are still seeing reduced levels of patronage, however, the Combined Authority is able to access a package of funding to support a proportion (75% of losses after the first 5% which will not be funded) of the loss of income from fees and charges for services. An initial claim of £770k has been submitted, and the latest forecast includes an anticipated further £300k of grant funding.
- 2.7 The Department for Transport has announced that the short-term funding provided for Metro services (Light Rail Restart Grant) will be available throughout 2020/21, subject to a break clause in January 2021. DfT are determining the value of the grant award using their own calculations, however it is anticipated that the grant will leave WMCA in a position no worse than 2020/21 Budget.
- 2.8 This assumption means that the subsidy forecast to be paid to MML for the 2020/21 financial year has been bought back in line with Budget to £0.7m. This has relieved a significant source of pressure which had been anticipated as part of the first reforecast of the year.
- 2.9 Further details of net spending are set out in the table overleaf.

Transport for West Midlands financial monitoring position – 2020/2021

Headlines

As at the end of November 2020 there is a £1.165m favourable year to date variance. This is primarily driven by lower bus patronage leading to savings across Concessions budgets along with efficient RTCC purchasing decisions, offset by significantly reduced advertising revenue and a departure charge holiday for operators as a result of Covid-19 earlier in the year.

Key:

- Favourable Variance
- No Variance or Offset by Grant
- Adverse Variance

	NOVEMBER 2020 YEAR TO DATE			FULL YEAR 2020/21				VARIANCE EXPLANATION(S)
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
Specific resources:								
Transport Levy	76,483	76,480	3 0%	114,720	114,720	(0) 0%	●	The profile of CWG expenditure has been impacted by Covid-19, as such grant draw down will be lower than budgeted in year.
Commonwealth Games	656	1,286	(631) 49%	1,506	2,157	(651) 30%	●	
Use of Reserves	0		0 0%	3,633	3,633	0 0%	●	
TOTAL INCOME	77,139	77,767	(628) 1%	119,859	120,510	(651) 1%		
Concessions								
National Bus Concession	32,971	33,812	841 2%	48,961	51,006	2,045 4%	●	Forecast spending on concessions reflects the latest patronage and fare reimbursement assumptions. Discussions are ongoing regarding the most equitable payment schedule.
Metro / Rail	2,951	2,959	8 0%	4,558	4,575	17 0%	●	
Child Concession	3,912	4,859	946 19%	6,243	7,837	1,593 20%	●	
Bus Services	39,835	41,630	1,796	59,762	63,417	3,655		
Bus Stations / Infrastructure	4,979	2,953	(2,025) 69%	6,399	4,542	(1,857) 41%	●	Loss of bus infrastructure income (bus stations, shelter advertising, IBSS) as a result of Covid-19. Subsidised bus is currently being supported by the Bus Services Support Grant to help mitigate against the impact of Covid-19.
Subsidised Network	6,741	6,939	199 3%	10,409	10,409	(0) 0%	●	
Accessible Transport	4,352	4,411	59 1%	6,615	6,617	2 0%	●	
Rail and Metro Services	16,071	14,304	(1,767)	23,423	21,567	(1,855)		
Metro Services	660	815	155 19%	3,824	2,642	(1,182) 46%	●	The DfT Light Rail Restart grant has been extended to March, thus providing cover for losses up to budget while patronage is impacted by Covid-19. As such the YTD variance is primarily driven by realignment of insurance payments following updates from the insurance broker. Car park income has been reduced due to lower demand as a result of Covid-19.
Rail Services	1,915	1,808	(107) 6%	2,909	2,805	(104) 4%	●	
Integration	2,575	2,623	49	6,733	5,447	(1,287)		
Safety and Security	555	818	263 32%	1,145	1,274	129 10%	●	Driven by increased CCTV income
Passenger Information	3,520	3,702	182 5%	5,266	5,729	463 8%	●	Favourable variance as a result of reduced printing and production costs from timetables, maps, etc due to Covid-19, in addition to an increase in the FMZ capital funding of IT development projects. Partly offset by a reduction in ticketing commission due to the drop in patronage.
Sustainable Travel	383	372	(11) 3%	546	567	22 4%	●	
Network Resilience	4,458	4,891	433	6,957	7,570	613		
Network Resilience	1,250	2,043	793 39%	2,252	3,100	848 27%	●	Favourable variance driven by efficient purchasing decisions meaning the budgeted contingency for delivery of RTCC is no longer required, alongside staffing variations.
Commonwealth Games	656	1,290	634 49%	1,506	2,157	651 30%	●	The CWG external advice budget has not been spent as plans and recruitment were updated to account for Covid-19. Fully offset by lower grant draw down.
Business and Democratic Support	2,293	2,357	64 3%	3,696	3,764	68 2%	●	
Strategic Development	2,373	2,160	(213) 10%	3,207	3,141	(66) 2%	●	
Transport Governance	84	88	4 5%	129	132	3 3%	●	
Capital Finance Charges	6,430	6,430	0 0%	10,214	10,214	(0) 0%	●	Adverse variance driven by an increase in costs associated with the CAV testbed project.
TOTAL EXPENDITURE	76,024	77,816	1,792 2%	117,879	120,510	2,631 2%		
NET	1,115	(50)	1,165	1,980	(0)	1,980		

SECTION B

3.0 Summary Position TfWM Capital Budget

- 3.1 Many of the schemes within the Capital Programme take some time to develop and implement over a period of some years and therefore considerable variations can arise.
- 3.2 Overall, TfWM Capital Programme expenditure totalled £91.8m at the end of November 2020, which was £74.5m (55%) below the year to date budget of £166.3m, with the variance primarily contained within the Investment Programme portfolio (£36.8m) and the CWG Programme (£22.2m).
- 3.3 The forecast variance is £65.1m (23%) below the annual budget £281.5m, representing a further reduction in expenditure of £39.1m compared to the July forecast. The primary variances to budget are contained within the Investment Programme (£36.8m) and CWG Programme (£22.2m), with the majority of the further reduction from the July forecast driven by the CWG Programme (£25m).

TRANSPORT PROGRAMME	NOVEMBER 2020 YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme	59,917	96,741	36,824	119,853	147,414	27,561
CWG Programme	19,268	41,444	22,176	60,046	85,536	25,490
Other Major Programmes	9,279	18,648	9,369	20,834	25,620	4,786
Minor Work Programme	3,117	6,623	3,506	13,434	14,719	1,285
Grants to Local Authorities	238	2,854	2,616	2,277	8,209	5,932
TOTAL	91,819	166,310	74,491	216,444	281,498	65,054

- 3.4 The TfWM delivered Investment Programme portfolio comprises the largest of the five Programmes within the Transport Programme, containing the schemes which feature in the WMCA Devolution Deal Investment Programme to be delivered by TfWM. These schemes are all, to some extent, funded from the West Midlands Combined Authority Devolution Deal funding arrangements.
- 3.5 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a Budget of £147.4m (52%), including all the Rail, Sprint & Metro Extension Schemes. At the end of November, actual costs totalled £59.9m, which was £36.8m below the budget of £96.7m. The main variances at the end of November were contained within the Metro Programme totalling £28.1m. Although delivery schedules are not currently anticipated to be impacted by rephasing of expenditure plans, it's likely that the Covid-19 pandemic will lead to further rescheduling and prioritisation of capital expenditure plans.
- 3.6 The variance against the Metro Wednesday to Brierley Hill of £14.3m was reflective of Covid-19 restrictions, where utility operators were only responding to emergency works, resulting in diversions not commencing as scheduled. The Railway Corridor land has been acquired and limited construction has now begun to take place. WMCA are working on mitigation measures including the approval of advanced work packages and granting access to land under License.

- 3.7 The Birmingham Eastside extension variance of £5.5m relates to HS2 utility diversions which have not commenced due to final sign off on the development agreement with HS2 expected shortly, with work to catch up over the coming months, reflected in the annual forecast.
- 3.8 The favourable variance on the SPRINT-Hagley Road scheme of £3.1m reflects an ongoing review of design with Birmingham Council and a S278 agreement (public highway improvements notice) requires a revised Target Cost (TC2) so MMA works have not progressed as anticipated.
- 3.9 The other primary variance related to the Rail–Walsall to Wolverhampton Local Enhancements £3.1m (Package 1), where land acquisition earmarked for 20/21 will not now reach a conclusion until Q1 21/22 at the earliest.
- 3.10 The Commonwealth Games Programme with a budget of £85.5m (30%) includes all the schemes (SPRINT, Perry Barr & University Rail Stations, and Games) scheduled to be delivered in advance of the Games in July and August 2022. At the end of November 2020, actual costs totalled £19.2m, which was £22.2m below the budget of £41.4m. The main variances related to the Sprint A34 Walsall to Birmingham (£7.2m) and the Sprint A45 Birmingham to Airport & Solihull (£9.8m), both owing to the Covid-19 restrictions on the highways, impacting on utility diversion works. The Sprint A45 project is in the physical construction stage with the preferred contractor having submitted a cost programme which was formally approved in October 2020.
- 3.11 Other Major schemes budget of £25.6m (9%) includes trials of new transport innovation encompassed within Future Transport Zones, to discover new ways to help people and goods move around, in addition to Connected and Autonomous Vehicles trialling new technology, and Key Route Networks, to manage congestion and keep the West Midlands moving. At the end of November 2020, actual costs totalled £9.3m, which was £9.4m below the budget of £18.7m. The main variance relates to A435 Alcester Road Bus Priority Revitalisation (£2.5m) where a revised scheme has been proposed, following a review in liaison with Birmingham City Council. Consequently, most of the works are not anticipated to progress until 21/22 pending approval by Birmingham City Council Cabinet in Q4 20/21. The Connected and Autonomous Vehicles Testbed (CAV) variance of £1.0m was due to rescheduling of the construction contract award, coupled with Covid-19 restrictions. Work commenced in Q1 20/21 allowing some of the backlog to be addressed.
- 3.12 The Minor Works Programme with a budget of £14.7m (5%) includes a broad range of relatively small schemes. At the end of November 2020, actual costs totalled £3.1m, which was £3.5m below the budget of £6.6m, with only minor variations at this early stage of the year. The Annual Budget was increased in September to include the upfront costs relating to the West Midlands Cycle Hire project (£5.0m).
- 3.13 The Grants to Local Authorities Budget of £8.2m (3%) relates primarily to the schemes funded within the Transforming Cities Fund which are in the early stages of development. At the end of November 2020, actual costs totalled £0.2m, which is £2.6m below budget. Legal agreements with local authorities have been received and claim payments should now continue.

- 3.14 A review of the annual forecast was completed in September 2020, resulting in a revised forecast of £216.4m, a reduction of £65.1m against the annual budget of £281.5m. The main variances are contained within the Investment Programme £27.6m, and CWG Programme £25.5m with only relatively minor variances against the other Programmes. Within the Investment Programme, the variance is primarily contained within the Metro Programme (£20.3m), relating to Wednesbury Brierley Hill (£12m), and Network Enhancements (£3.8m), reflective of actual spend to date. Within the Rail Programme, the Walsall-Wolverhampton (Package 1) variance of £2.3m is due to a deferral of land acquisition costs (Willenhall Land Triple R Site) now projected for Q1 21/22 put back from Q2 2020.
- 3.15 Within the CWG Programme, the annual forecast variance of £25.5m is primarily contained within the SPRINT schemes. The A45 Birmingham to Airport and Solihull £13.3m, and the A34 Walsall to Birmingham (£8.3m) have both been hampered by Covid-19 restrictions, which has led to a rescheduling of the utility diversion work, and consequently the construction works originally anticipated to follow on, have in the main been reprofiled into Q1 21/22. In both cases, the scheme delivery dates are not impacted by this change.

TfWM Delivered Investment Programme Schemes

INVESTMENT PROGRAMME	NOVEMBER 2020 YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Rail						
Rail - Camp Hill Line Enhancements (Package 2)	1,896	4,203	2,307	3,535	6,299	2,764
Rail - Walsall to Wolverhampton Enhancements (Package 1)	1,919	5,044	3,125	4,021	6,812	2,791
Rail - Sutton Coldfield Gateway	0	35	35	127	127	0
Coventry South Package - Tile Hill Station Improvements	0	60	60	100	100	0
Metro						
Programme Level Services	10	0	(10)	0	0	0
Metro Birmingham Eastside Extension	10,745	16,275	5,530	26,822	28,064	1,242
Metro Wolverhampton City Centre Extension	1,372	2,519	1,147	3,091	4,057	966
Metro Wednesbury to Brierley Hill Extension	19,928	34,281	14,353	39,015	50,941	11,926
Metro Centenary Square/Edgbaston Extension	18,190	19,779	1,589	27,005	28,345	1,340
Bilston Road Track Replacement Phase 2	9	0	(9)	875	884	9
Metro Network Enhancements - Traction Power & OLE	190	1,235	1,045	1,341	2,892	1,551
WIP Station and Car Park works	987	1,084	97	1,084	1,084	0
Metro Network - Wednesbury Depot Upgrades	1,359	2,175	816	3,019	4,561	1,542
Metro Network Enhancements – Comms and Control	922	2,687	1,765	1,879	4,105	2,226
Buy Before Boarding	62	439	377	317	743	426
MML Life Cycle Projects	1,198	2,377	1,179	4,437	3,555	(882)
Metro Programme Management	(30)	0	30	0	0	0
2GT Car-Body Works	0	226	226	523	523	0
Sprint						
Sprint - Hagley Road Phase 1	1,090	4,190	3,100	2,530	4,190	1,660
Sprint - Sutton Coldfield to Birmingham (via Langley)	70	132	62	132	132	0
TOTAL	59,917	96,741	36,824	119,853	147,414	27,561

3.16 Expenditure against the TfWM delivered Investment Programme schemes totalled £59.9m at the end of November 2020 which was £36.8m below the budget of £96.7m. The main contributors to the favourable variance were as follows:

- Metro Wednesbury to Brierley Hill Metro Extension (£14.35m) reflective of Covid-19 restrictions, where utility operators were only responding to emergency works, resulting in some of the diversions not commencing as scheduled. The railway corridor with Network Rail was secured on 10th July 2020, which has only allowed limited construction to take place to-date. WMCA are working on mitigation measures including the approval of advanced work packages and granting access to land under License.
- Metro Birmingham Eastside extension (£5.53m) relating to HS2 Utility diversions which have not commenced due to final sign off with the development agreement with HS2, which is expected imminently, with work to catch up over the coming months, as reflected in the annual forecast.
- SPRINT-Hagley Road (£3.1m) due mainly to the ongoing review of design with Birmingham Council and agreement of S278 which requires a revised Target Cost (TC2), and consequently the MMA works have not progressed as anticipated.
- Rail – Walsall to Wolverhampton Local Enhancements (£3.13m) (Package 1) where land acquisition costs (Willenhall Land Triple R Site) have been reprofiled to April 2021.

3.17 The annual forecast is £119.9m as at November 2020, which is £27.6m below the budget of £146.9m. The main variances are as follows

- Metro Wednesbury to Brierley Hill Metro Extension (£11.93m) reflects actual spend to date and reduced construction costs anticipated in year. This has no impact on overall delivery schedules.
- Metro Birmingham Eastside Extension (£1.2m) utilities works relating to HS2 diversions are expected to begin in the coming months as the development agreement with HS2 is due imminently. The HS2 spend profile has been re-phased as a but there is no impact on overall delivery schedules.
- Rail-Walsall-Wolverhampton Local Enhancements (Package 1) (£2.79m) is due to land acquisition costs now projected for April 2021 (from Q2 2020).
- Rail –Camp Hill Local Line Enhancements (Package 2) (£2.76m) is reflective of land acquisition costs being reprofiled to Q1 21/22, together with Network Rail Industry and Risk fees, which are rescheduled to Q2 21/22, to align with changes to the Programme.
- Metro Network Enhancements (£2.23m) is due to commissioning work for PID (Passenger Information Display) & PAU (Passenger Assistant Unit) upgrades, which have proceeded later than anticipated due to COVID-19 restrictions. The Subcontract Package (e.g. SmarTrams Enhancements & Radio system) has been rephased and pushed back to Phase two of the project after further review with MML to identify optional Enhancements.

Commonwealth Games Programme

COMMONWEALTH GAMES PROGRAMME	NOVEMBER 2020 YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
DfT- Regional Integrated Control Centre (RICC)	25	53	28	53	53	0
Perry Barr Interchange Development	0	6	6	12	12	0
University Station Improvement Project	4,490	5,514	1,024	11,859	13,693	1,834
Perry Barr Rail Station	3,352	4,986	1,634	9,337	8,308	(1,029)
Sprint - A45 Birmingham to Airport and Solihull	6,245	16,036	9,791	18,520	31,773	13,253
Sprint - A34 Walsall to Birmingham	3,118	10,290	7,172	9,981	18,329	8,348
A34 Sprint Park & Ride	34	182	148	200	200	0
RTCC-Design & Layout/Commercialisation	126	926	800	1,805	1,853	48
RTCC-Data (Tactical & Operational Intelligence)	516	648	132	1,110	1,110	0
RTCC-ICT	0	19	19	58	58	0
RTCC-Operations	181	249	68	317	317	0
RTCC-Customer Information	5	79	74	107	107	0
RTCC-Highway Interventions	751	1,602	851	5,251	8,287	3,036
RTCC NWM Customer Interface Tool (Journey planner/Web)	179	472	293	672	672	0
Perry Barr Mitigation Package	246	382	136	764	764	0
TOTAL	19,268	41,444	22,176 54%	60,046	85,536	25,490 30%

3.18 Expenditure against the Commonwealth Games Programme totalled £19.27m at the end of November 2020 which was £22.18m below the budget of £41.44m. The main contributors to this favourable variance were as follows:

- SPRINT – A45 Birmingham to Airport and Solihull (£9.79m) due mainly to lower than expected progress of utility diversion costs, as a result of temporary Covid-19 restrictions on the highways.
- SPRINT – A34 Walsall to Birmingham (£7.17m) also owing to the Covid-19 restrictions impacting on utility diversion works.
- University Station Improvement Project (£1.02m) Network Rail Industry and Risk fees originally anticipated in June 2020, have been reprofiled to Q4 20/21, to align with changes to the programme.

3.19 The annual forecast was reduced in September 2020 to £60.05m, which is £25.49m below the Budget of £85.54m. The main variances are as follows

- SPRINT – A45 Birmingham to Airport and Solihull (£13.25m). The reprofiling of the utility diversions into Q3, has had a knock-on impact on commencement of the construction works, the majority of which will take place in Q1 and Q2 21/22. There is however no impact on delivery of the scheme.
- SPRINT – A34 Walsall to Birmingham (£8.35m). In a similar vein to the A45, the forecast has been reduced owing to the re-profiling of the utility diversions and construction works.
- RTCC Highway Interventions (£3.04m). The variance is a continuation of the current position, where the speed of work has reduced due to Covid-19 restrictions and rescheduled legal agreement sign-offs.

Other Major Works Programme

OTHER MAJOR MORKS PROGRAMME	NOVEMBER 2020 YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Snow Hill 3rd Access	51	301	250	50	570	520
Snow Hill Public Realm	0	0	0	150	150	0
Dudley Bus Station Development	16	11	(5)	16	16	0
Clean Bus Technology Fund 2017-2019	681	1,149	468	1,765	1,764	(1)
Cross City Bus - City Centre Package	107	245	138	412	412	0
Cross City Bus - Dudley – Druids Heath Package	74	292	218	391	465	74
Longbridge Connectivity Package	474	760	286	760	760	0
Connected and Autonomous Vehicles TestBed (CAV)	1,236	2,223	987	2,240	2,239	(1)
NPIF 2 Birmingham Growth Point	36	660	624	705	705	0
Key Route Network Safety	99	1,112	1,013	1,283	1,413	130
Dudley Interchange	367	500	133	444	1,110	666
Autonomous Highway,Rural & Parking Test (Meridian 3)	1,099	1,881	782	3,015	3,015	0
Future Mobility Zone - Human Centered Data	64	55	(9)	179	179	0
Future Mobility Zone - Enabling Data Exploitation	194	417	223	883	883	0
Future Mobility Zone - Innovation Showcases	188	585	397	1,287	1,287	0
Future Mobility Zone - Programme Mgmt / M&E	217	251	34	425	425	0
5G	570	1,244	674	880	1,992	1,112
ConVEx-Connected Vehicle data Exchange	2,070	2,015	(55)	2,294	2,015	(279)
Major Route Network - Programme	4	0	(4)	101	101	0
A435 Alcester Rd Bus Priority Revitalisation	91	2,607	2,516	236	2,771	2,535
Future Mobility Zone - Enhanced Ticket Platform	1,258	1,378	120	1,695	1,695	0
MRN-A4123 Corridor -A4150 Ring Road to A456 Hagley Rd	0	100	100	200	200	0
MRN- A454 Wolverhampton to Neachells Phrases 1,2, And 3	0	137	137	274	274	0
MRN-A449 Stafford Rd M54 J2 to A4150 Ring Road	0	70	70	141	141	0
MRN- A46 Link Road Ph2 Coventry	0	75	75	150	150	0
MRN- A38 Kingsbury Road Birmingham	0	30	30	30	60	30
Future Mobility Zone - Transport Network Data	383	550	167	828	828	0
TOTAL	9,279	18,648	9,369 50%	20,834	25,620	4,786 19%

3.20 Expenditure against the Other Major Works Programme totals £9.28m at the end of November 2020 which was £9.37m below the budget of £18.65m. The main contributors to this favourable variance were as follows:

- A435 Alcester Rd Bus Priority Revitalisation (£2.52m) A review of the scheme has been conducted in liaison with Birmingham City Council, resulting in a revised scheme, which is expected to be approved by Birmingham City Cabinet in Q4 20/21. Consequently, much of the works are not anticipated to commence until Q1 21/22.
- Key Route Network Safety (£1.01m) Covid-19 has impacted the delivery of this programme, however, work is expected to accelerate in the remainder of the year.
- CAV's (Connected and Autonomous Vehicle) (£0.99m) variance is due to the physical construction contractor being appointed later than expected, coupled with the disruption of the Covid-19 restrictions.

3.21 The annual forecast has been reduced to £20.81m, which is £4.8m below the budget of £25.62m. The main variances are as follows

- A435 Alcester Rd Bus Priority Revitalisation (£2.54m) owing to the current position, with much of the works not anticipated until 21/22.
- 5G (£1.11m) Finalisation of internal agreements have slowed progress in the Programme, resulting in a rescheduling of some activity into 21/22.
- Dudley Interchange (£0.67m) the project is awaiting progression from the current RIBA3 design stage to formal tender once funding arrangements have been confirmed.

Minor Works Programme

MINOR WORKS PROGRAMME	NOVEMBER 2020 YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus						
Shelter Appeals	0	6	6	3	9	6
TBT Platinum Route RTI Equipment Upgrades	11	14	3	11	14	3
DfT Tackling Nitrogen Dioxide - Dudley MBC	83	127	44	95	127	32
DfT Tackling Nitrogen Dioxide (Wolverhampton MBC)	553	783	230	707	1,024	317
Rail						
Park and Ride Delivery	7	165	158	139	461	322
Tipton Park and Ride	0	12	12	24	24	0
Dudley Port Integrated Transport Hub	13	14	1	50	50	0
Aldridge Rail Station Study	16	32	16	32	32	0
Metro						
Bradley Lane Park and Ride	210	348	138	348	348	0
Cycling						
Network Wide Cycling Programme (NWCP)	12	24	12	24	24	0
Bike Life Report	0	0	0	15	15	0
Emergency Active Travel Fund (EATF)	276	276	0	276	276	0
West Midlands Cycle Hire	830	1,247	417	5,000	5,000	0
Better Streets Community Fund	129	637	508	1,102	1,089	(13)
Priority One Development Workstream	34	372	338	536	638	102
Highway						0
ADEPT Live Lab	256	858	602	1,678	1,796	118
Asset Replacement						0
Network Wide Park and Ride Expansion Developments -Ph2	20	23	3	23	23	0
Network Wide Bus Station Refurbishment Phase 1	2	0	(2)	0	0	0
Network Wide P and R Lighting Enhancement	1	17	16	17	17	0
IDOX - Asset Management System	1	18	17	35	35	0
Asset Management Programme	530	809	279	1,592	1,592	0
Real Time Information Upgrades	62	458	396	1,073	1,473	400
Other						0
Road Safety Grant	0	0	0	2	2	0
Asset Management- RTI Upgrades	0	85	85	170	170	0
Project Development Costs	1	5	4	7	7	0
LTP Technical Development Nims Mattisse	0	0	0	19	19	0
Gateway Controlled Project Development	0	154	154	154	154	0
Top Slice	25	35	10	141	141	0
Transport Data Unification (traffic data)	0	25	25	61	61	0
AutopleX	45	79	34	100	98	(2)
TOTAL	3,117	6,623	3,506 53%	13,434	14,719	1,285 9%

3.21 Expenditure against the Minor Works Programme totalled £3.12m at the end of November 2020 which was £3.51m below the budget of £6.62m. The main variances of note were as follows:

- ADEPT Live Lab (£0.6m) The costs anticipated in Q1/Q2 have not materialised due to Covid-19 restrictions. It is anticipated most works will be caught up later in the year, however a marginal underspend is expected in year, reflected in the Annual Forecast.
- Better Streets Community Fund (£0.51m) Legal agreements have now been signed off with Local Authorities, however, this has resulted in rescheduling of the project.
- West Midlands Cycle Hire (£0.42m) The variance is due to the budget being flat profiled and the cost being incurred as the programme is rolled out.
- Real Time Information Upgrades (£0.4m) is due to rescheduling of procurement activity. It is anticipated phase 1 of the project to be completed in Q4 20/21.

3.22 The annual forecast was revised in September 2020 to £13.43m, which is £1.29m below the Budget of £14.27m. The variances are broadly reflective of the current position identified previously.

Grants to local Authorities

GRANTS TO LOCAL AUTHORITIES	NOVEMBER 2020 YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Low Emission Bus Scheme (Coventry CC)	237	237	0	237	237	0
B4106 Spon End (Coventry CC)	1	1,692	1,691	1,000	4,697	3,697
New St/High St/Victoria Sq Public Realm (Birmingham CC)	0	925	925	1,040	3,275	2,235
TOTAL	238	2,854	2,616 92%	2,277	8,209	5,932 72%

3.23 There is very minimal expenditure against the Grants to Local Authorities Programme as at the end of November 2020, resulting in a £2.62m favourable variance against budget.

3.24 The annual forecast has been reduced to £2.28m, which is £5.93m below the budget of £8.21m. The variances of note are as follows:

- B4106 Spon End (Coventry CC) £3.697m. The project will commence on conclusion of the funding agreement with the Local Authority. The forecast has been updated to reflect the anticipated spend profile for the scheme, which will roll over into 21/22.
- New St/High St/Victoria Square Public Realm (Birmingham CC) £2.235m due to a revised programme from the Local Authority. The full business case is scheduled for approval in January 2021, at which point, draw down against the budget is expected to begin.