



Transport Delivery Committee

Date	19 July 2021
Report title	Financial Monitoring Report
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Report to be / has been considered by	Councillor Pervez Akhtar

Recommendation(s) for action or decision:

The Transport Delivery Committee is recommended to:

1. Note the year to date position as at the end of May 2021 against the TfWM Revenue Budget shows an overall favourable variance of £0.280m, as detailed in Section A.
2. Note the TfWM Capital Programme expenditure as at the end of May 2021 totals £26.6m, which is £13.0m below budget, as detailed in Section B.

1. Purpose

- 1.1 This report sets out the financial position as at 31 May 2021. 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

2.0 Section A - Summary Revenue Position

- 2.1 The year to date position on the Transport revenue budget as at the end of May 2021 shows an overall favourable variance of £0.280m against budget.
- 2.2 This favourable variance is primarily driven by Child Concession savings during the pandemic due to reduced services and patronage alongside no fare increases.
- 2.3 Further savings have been achieved due to the revision of the Accessible Transport contract, including bringing the Customer Service team in-house, as well as a current reduction on cleaning and maintenance expenditure.
- 2.4 These savings have been partly offset by lower than budgeted drawdown of reserves to support the overall budget as they have not yet been required.
- 2.5 Further details of net spending are set out in Appendix 1.

SECTION B

3.0 Summary Position TfWM Capital Budget

- 3.1 Overall, TfWM Capital Programme expenditure totalled £26.6m which was £13.0m below the year to date budget of £39.6m, with the variance primarily contained within the Investment Programme portfolio (£8.2m) and the Commonwealth Games Programme (£3.5m).

TRANSPORT PROGRAMME	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme	12,885	21,060	8,175	217,533	217,533	0
CWG Programme	10,126	13,611	3,485	148,630	148,630	0
Other Major Programmes	1,299	2,285	986	32,558	32,558	0
Minor Work Programme	2,252	2,644	392	11,309	11,309	0
Grants to Local Authorities	22	22	0	10,366	10,366	0
TOTAL	26,584	39,622	13,038	420,396	420,396	0

- 3.2 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.
- 3.3 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a Budget of £21.1m, including all the Rail, Sprint

& Metro Extension Schemes. At the end of May 2021, actual costs totalled £12.9m, which was £8.2m below the budget. The main variances at the end of May were contained within the Metro Programme totalling £7.3m.

- 3.4 Appendix 2 documents the financial performance of the TfWM Investment Programme schemes which has a total budget of £217.5m for 2021/22. At the end of May actual costs totalled £12.9m, which was £8.2m below the budget. The budget variance against the Metro Wednesbury to Brierley Hill of £4.3m is primarily driven by the scheduling of payments to the Victoria Steelworks.
- 3.5 The Birmingham Eastside extension budget variance of £2.1m relates to rescheduling of closing a subway as well as Section 1 works not commencing as initially planned.
- 3.6 The remainder of the variance is primarily driven by the Metro Wolverhampton City Centre Extension where the contracts for the acquisition of Pipers Row Car Park are being finalised and are expected to be signed imminently.
- 3.7 Appendix 3 documents the financial performance against the Commonwealth Games Programme with a budget of £148.6m. This 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 May, actual costs totalled £10.1m, which was £3.5m below the budget. The main variances are related to the Sprint A34 Walsall to Birmingham (£0.7m) and the Sprint A45 Birmingham to Airport & Solihull (£1.6m), where expenditure is expected to accelerate in the coming months.
- 3.8 Appendix 4 documents the financial performance against the Other Major schemes annual budget of £32.6m. This programme includes trials of new transport innovation encompassed within Future Transport Zones (focused on discovering 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 May, actual costs totalled £1.3m, which was £1.0m below the budget. The main variance relates to Future Mobility Zone where construction of the survey system has impacted progress to date. The variance has been further supplemented by Autonomous Highway, Rural & Parking test facilities as a result of a review of project scope.
- 3.9 Appendix 5 documents the financial performance against the Minor Works Programme with a budget of £11.3m. This programme includes a broad range of relatively small schemes. At the end of May, actual costs totalled £2.3m, which was £0.4m below the budget. This is primarily driven by the profiled spend on CCTV cameras for ADEPT Live Lab not having yet materialised.
- 3.10 Appendix 6 documents the financial performance against the Grants to Local Authorities Budget of £10.4m which relates primarily to the schemes funded within the Transforming Cities Fund which are in the early stages of development. At the end of May, actual expenditure was in line with budget.

Appendix 1: Transport for West Midlands Revenue Budget Position 31 May 2021

Headlines As at the end of May 2021 there is a £0.280m favourable year to date variance against budget. This is primarily driven by Child Concession savings during the pandemic due to reduced services and patronage alongside no fare increases. Revision of the Accessible Transport contract, including bringing the Customer Service team in-house, has delivered further savings. Current savings on cleaning and maintenance, along with staffing variations have also contributed to the favourable variance. These variances are partly offset by lower than budgeted drawdown of reserves to support the overall budget as they have not yet been required.									
	MAY 2021 YEAR TO DATE						FULL YEAR 2021/22	VARIANCE EXPLANATION(S)	
	ACTUAL £000			BUDGET £000			BUDGET £000		
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET	NET		
						YTD VARIANCE FAVOURABLE / (ADVERSE) £000			
Specific resources:									
Transport Levy	19,120	0	19,120	19,120	0	19,120	0	114,720	
Use of Reserves	177	0	177	839	0	839	(662)	4,695	Budgeted reserves to support the delivery of the cycle hire scheme have begun to be drawn down. However, reserves to support the overall budget have not yet been required.
TOTAL FUNDING	19,297	0	19,297	19,959	0	19,959	(662)	119,415	
Concessions									
National Bus Concession	14	8,673	(8,659)	16	8,664	(8,649)	(11)	(50,472)	
Metro / Rail	0	762	(762)	0	760	(760)	(2)	(4,572)	
Child Concession	0	957	(957)	0	1,162	(1,162)	205	(7,029)	Driven by reduced services and patronage during the pandemic, with no fare increases further contributing to the variance.
	14	10,392	(10,378)	16	10,586	(10,570)	192	(62,073)	
Bus Services									
Bus Stations / Infrastructure	1,208	1,877	(669)	1,179	2,087	(908)	239	(5,152)	Favourable variance due to savings on cleaning and shelter repairs.
Subsidised Network	977	2,735	(1,758)	341	1,979	(1,638)	(120)	(11,478)	Adverse variance as a result of the timing of Subsidised Bus payments to operators. Over the full year there will likely be savings as contracts are extended rather than renewed in light of the ongoing Covid-19 impacts.
Accessible Transport	0	1,007	(1,007)	0	1,106	(1,106)	99	(6,637)	The Accessible Transport contract with National Express has been revised, thus driving savings. This also includes bringing the NEAT customer service team in-house.
	2,185	5,619	(3,434)	1,520	5,172	(3,652)	219	(23,267)	
Rail and Metro Services									
Metro Services	33	362	(329)	32	397	(365)	36	(2,628)	
Rail Services	195	703	(508)	229	718	(489)	(20)	(2,904)	
	228	1,066	(837)	261	1,115	(854)	17	(5,532)	
Integration									
Safety and Security	112	237	(125)	111	374	(262)	137	(1,274)	Driven by the scheduling of equipment purchases which will take place later in the year.
Passenger Information	1,634	2,544	(910)	132	1,165	(1,033)	122	(6,075)	Additional ticketing commission received.
Sustainable Travel	67	329	(262)	214	502	(288)	26	(1,401)	
	1,813	3,111	(1,297)	458	2,041	(1,583)	286	(8,750)	
Network Resilience									
	3	408	(405)	1	526	(526)	121	(3,181)	Primarily driven by staffing variations as recruitment takes place.
Commonwealth Games									
	429	429	0	475	475	0	0	(0)	
Business and Democratic Support									
	0	582	(582)	0	614	(614)	32	(3,809)	
Strategic Development									
	165	709	(545)	264	883	(620)	75	(3,798)	
Transport Governance									
	0	20	(20)	0	22	(22)	1	(131)	
Capital Finance Charges									
	0	1,427	(1,427)	0	1,427	(1,427)	0	(8,874)	
TOTAL	4,837	23,763	(18,926)	2,994	22,862	(19,868)	942	(119,415)	
NET	24,134	23,763	371	22,953	22,862	91	280	0	

APPENDIX 2: TfWM Delivered Investment Programme Schemes

INVESTMENT PROGRAMME	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Rail						
Rail - Camp Hill Line Local Enhancements (Package 2)	515	723	208	8,878	8,878	0
Rail - Walsall to Wolverhampton Local Enhancements (Package 1)	368	690	322	15,390	15,390	0
Rail - Sutton Coldfield Gateway	0	0	0	57	57	0
Coventry South Package - Tile Hill Station Improvements	25	0	(25)	0	0	0
Metro						
Metro Birmingham Eastside Extension	2,025	4,167	2,142	66,735	66,735	0
Metro Wolverhampton City Centre Extension	444	1,215	771	3,030	3,030	0
Metro Wednesbury to Brierley Hill Extension	5,480	9,781	4,301	94,937	94,937	0
Metro Centenary Square/Edgbaston Extension	2,988	2,033	(955)	5,136	5,136	0
Bilston Road Track Replacement Phase 2	0	0	0	874	874	0
Metro Network Enhancements - Traction Power & OLE Upgrades	225	338	113	3,344	3,344	0
WIP Station and Car Park works	(168)	(54)	114	(54)	(54)	0
Metro Network Enhancements - Wednesbury Depot Upgrades	335	393	58	3,117	3,117	0
Metro Network Enhancements – Comms and Control	114	571	457	2,101	2,101	0
Buy Before Boarding	0	31	31	1,400	1,400	0
Wolverhampton WIP Public Realm	0	0	0	1,196	1,196	0
Wolverhampton WIP Contingency	0	0	0	2,093	2,093	0
MML Life Cycle Projects	451	763	312	4,623	4,623	0
Metro Programme Management	0	(3)	(3)	13	13	0
Sprint						
Sprint - Hagley Road Phase 1	83	329	246	4,206	4,206	0
Sprint - Longbridge to Birmingham	0	34	34	204	204	0
Sprint - Hagley Road Phase 2	0	41	41	245	245	0
Sprint - Sutton Coldfield to Birmingham (via Langley)	0	7	7	7	7	0
TOTAL	12,885	21,059	8,174	217,532	217,532	0

APPENDIX 3: Commonwealth Games Programme

COMMONWEALTH GAMES PROGRAMME	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
University Station Improvement Project	4,510	5,198	688	36,122	36,122	0
Perry Barr Rail Station	2,070	2,415	345	16,832	16,832	0
Sprint - A45 Birmingham to Airport and Solihull	2,533	4,078	1,545	38,148	38,148	0
Sprint - A34 Walsall to Birmingham	744	1,479	735	24,033	24,033	0
A34 Sprint Park and Ride	0	54	54	81	81	0
RTCC-Design and Layout/Commercialisation	(8)	8	16	1,852	1,852	0
RTCC-Data (Tactical and Operational Intelligence)	91	112	21	764	764	0
RTCC – ICT Equipment	0	17	17	58	58	0
RTCC-Operations	14	88	74	348	348	0
RTCC-Customer Information	0	13	13	76	76	0
RTCC-Highway Interventions	93	24	(69)	5,799	5,799	0
RTCC NWM Customer Interface Tool (Journey planner/Website)	67	91	24	1,304	1,304	0
Perry Barr Mitigation Package	13	35	22	213	213	0
Commonwealth Games 2022 - Alexander Stadium Redevelopment	0	0	0	23,000	23,000	0
TOTAL	10,127	13,612	3,485	148,630	148,630	0

APPENDIX 4: Other Major Works Programme

OTHER MAJOR WORKS PROGRAMME	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Snow Hill Public Realm	23	5	(18)	144	144	0
Electric Vehicle (EV) Charging	19	197	178	197	197	0
Clean Bus Technology Fund 2017-2019	226	226	0	786	786	0
Cross City Bus - City Centre Package	34	62	28	3,764	3,764	0
Cross City Bus - Dudley – Druids Heath Package	12	89	77	967	967	0
Coventry Electric Bus City	29	26	(3)	4,917	4,917	0
Longbridge Connectivity Package	54	53	(1)	106	106	0
Connected and Autonomous Vehicles TestBed (CAV)	0	1	1	1	1	0
NPIF 2 Birmingham Growth Point	90	173	83	190	190	0
Key Route Network Safety	19	37	18	1,096	1,096	0
Dudley Interchange	16	22	6	5,782	5,782	0
Autonomous Highway, Rural & Parking Test Facilities (Meridian 3)	174	296	122	782	782	0
Future Mobility Zone - Human Centered Data	2	42	40	124	124	0
Future Mobility Zone - Enabling Data Exploitation	50	68	18	1,106	1,106	0
Future Mobility Zone - Innovation Showcases	86	112	26	1,404	1,404	0
Future Mobility Zone - Programme Mgmt and Monitoring Evaluation	13	75	62	510	510	0
5G	63	155	92	2,891	2,891	0
Major Route Network - Programme	0	6	6	24	24	0
A435 Alcester Rd Bus Priority Revitalisation	0	2	2	1,047	1,047	0
Future Mobility Zone - Enhanced Ticket Platform	47	96	49	1,355	1,355	0
Major Road Network-A4123 Corridor -A4150 Ring Road to A456	0	0	0	425	425	0
Major Road Network- A454 Wolverhampton to Neachells	0	0	0	344	344	0
Major Road Network-A449 Stafford Rd M54 J2 to A4150 Ring Road	0	0	0	540	540	0
Major Road Network- A46 Link Road Ph2 Coventry	0	0	0	250	250	0
Major Road Network- A46 Link Road Ph3 Coventry	0	0	0	250	250	0
Major Road Network- A38 Kingsbury Road Birmingham	0	0	0	90	90	0
Future Mobility Zone - Transport Network Data	(29)	169	198	1,901	1,901	0
WM5G Grants for Transport Use	372	372	0	1,491	1,491	0
Major Road Network- A41 Moxley	0	0	0	73	73	0
TOTAL	1,300	2,284	984	32,557	32,557	0

APPENDIX 5: Minor Works Programme

MINOR WORKS PROGRAMME	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus						
Shelter Appeals	0	0	0	8	8	0
DfT Tackling Nitrogen Dioxide - Dudley MBC	0	0	0	5	5	0
DfT Tackling Nitrogen Dioxide (Wolverhampton MBC)	0	0	0	296	296	0
Air Quality Grant	119	119	0	238	238	0
Rail						
Dudley Port Integrated Transport Hub	3	4	1	30	30	0
Aldridge Rail Station Study	0	3	3	18	18	0
Cycling						
Network Wide Cycling Programme (NWCP)	0	2	2	2	2	0
West Midlands Cycle Hire	1,748	1,780	32	3,531	3,531	0
Better Streets Community Fund	71	75	4	1,459	1,459	0
Priority One Development Workstream	52	59	7	960	960	0
Active Travel Fund-Tranche 2	30	22	(8)	363	363	0
LSTF - Cycle Counters	0	0	0	150	150	0
Highway						
ADEPT Live Lab	(11)	265	276	1,053	1,053	0
Asset Replacement						
IDOX - Asset Management System	0	1	1	14	14	0
Asset Management Programme	189	220	31	1,841	1,841	0
Real Time Information Upgrades	35	35	0	743	743	0
Other						
Bradley Lane Park and Ride	0	0	0	26	26	0
Asset Management- RTI Upgrades	1	2	1	362	362	0
Top Slice	0	0	0	50	50	0
AutopleX	5	41	36	71	71	0
HS2 Modelling Framework	9	15	6	89	89	0
TOTAL	2,251	2,643	392	11,309	11,309	0

APPENDIX 6: Grants to Local Authorities

GRANTS TO LOCAL AUTHORITIES	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Cycling Programme	0	0	0	2,500	2,500	0
B4106 Spon End (Coventry CC)	22	22	0	3,800	3,800	0
New St/High St/Victoria Sq Public Realm (Birmingham CC)	0	0	0	4,066	4,066	0
TOTAL	22	22	0	10,366	10,366	0