



West Midlands
Combined Authority

WMCA Board

Date	23 July 2021
Report title	Financial Monitoring Report 2021/22
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This report has been considered by	WMCA Senior Leadership Team - 7 July 2021 WMCA Finance Directors - 8 July 2021 WMCA Programme Board

Recommendation(s) for action or decision:

WMCA Board is recommended to:

- (1) Note the financial outturn position as at the end of 31 May 2021, detailed in Sections 2-4.
- (2) Note the earmarking of up to £0.5m reserves to support proposals subject to separate papers to WMCA Board.
- (3) Note the update on Medium Term Financial Planning Process, detailed in Section 5.
- (4) Approve a £12.2m Collective Investment Fund (CIF) loan following its approval by WMCA Investment Board, detailed in Section 6.
- (5) Approve the submission of the Phase 2 Business Case application to the Zero Emission Bus Regional Area (ZEBRA) scheme to DfT by 20 August 2021, detailed in Section 7.

1.0 Purpose

- 1.1 To provide an update on the Combined Authority's finances as at the end of May 2021 (including the financial implications of Covid-19).

2.0 Background – Financial Monitoring

- 2.1 A summary of both the revenue and capital spend against the approved budget are attached as appendices 1-5.
- 2.2 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority.
- 2.3 The overall year to date position at the end of May shows a £0.159m favourable variance from budget. This consists of a favourable variance within the Transport budget of £0.280m largely due to Child Concession savings during the pandemic as a result of lower patronage and no fare increases. Revision of the Accessible Transport contract and staffing variations have delivered further savings.
- 2.4 This is partly offset by an adverse variance of £0.121m within the Delivery budget as a result of retimed draw down of £0.200m reserves offsetting an underlying £0.079m favourable position. The underlying favourable position is driven by staffing variation and retiming of activities whilst the strategic priorities of WMCA are reviewed.
- 2.5 There is no change in the Revenue or Capital forecast at this early stage of the financial year. Risks within the budget regarding Transport operations and income losses remain and officers continue to work with government on post 19 July arrangements. A verbal update will be provided to board if applicable.
- 2.6 Appendices 2 to 4 present the detailed summaries for Transport, the WMCA Delivery budget and the Mayoral office respectively.
- 2.7 At its February Meeting, WMCA Board approved the creation of a revenue reserve using WMCA's share of 20/21 Business Rates Growth monies. £4.8m of this reserve was earmarked to support the 21/22 Budget, comprising £3.6m to support the Mayoral election costs and £1.2m to support the Delivery Budget. WMCA Board are now asked to note that up to £0.5m of this one-off reserve is to be earmarked to support proposals which are subject to upcoming separate papers to be presented to WMCA Board. The first papers to be presented to WMCA Board will relate to the Business Support Review and Race Equality Taskforce. If those proposals are endorsed by WMCA Board, they will be funded by this one-off reserve for 21/22.

3.0 Mayoral Budget

- 3.1 Appendix 4 presents the Mayoral budgets as at the end of May 2021.
- 3.2 The Mayoral Office budget remains broadly in line with budget at this early stage of the year.

4.0 Capital Programme

- 4.1 Appendix 5 sets out the position on the Capital Programme as at the end of May 2021. Actual costs totalled £43.8m, resulting in a favourable variance of £14.7m against a budget of £58.5m. There has been no change in the forecast position at this early stage of the year.
- 4.2 The year to date variance is primarily contained within Transport (£13m), Housing (£1.6m) and the Grants to Local Authorities within the Investment Programme (£0.1m).
- 4.3 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget of £217.5m, including all the Rail/Sprint & Metro extension schemes. At the end of May, actual costs totalled £12.9m, which was £8.2m below the budget of £21.1m. The main variances at the end of May were contained within the Metro Programme totalling £7.3m, further detail is available in Appendix 5.

5.0 Medium Term Financial Plan Update

- 5.1 The latest view of WMCA's Medium Term Financial Plan was presented to Board in June 2021. This identified a deficit of £21.7m in 2022/23, rising to £52.0m in 2026/27. As detailed in the June 2021 Board report, this position represents a 'stand still' basis and does not include any additional initiatives that may arise from the ongoing review of WMCA's Corporate Strategy.
- 5.2 As detailed in the Draft and Final 2021/22 Budget reports presented to Board in January 2021 and February 2021 respectively, a funding gap for the next five years had previously been identified. It was noted that without a long-term funding solution, WMCA faced difficult choices about the services it can provide within the funding envelope currently available.
- 5.3 A balanced 2021/22 Budget was only achieved by one-off utilisation of reserves, including £7.5m of WMCA's share of 2020/21 Business Rates Growth monies. These monies would otherwise have supported WMCA's Investment Programme and emphasise that use of one-off funds to support the Revenue Budget is not a viable long-term option.
- 5.4 The WMCA's Corporate Strategic Planning process has now commenced and will continue over Summer 2021. This work will establish the core priorities of the WMCA, ensuring that all funding bids are optimised in order to meet these objectives, and will allow for a robust case to be submitted by WMCA as part of HM Government's Comprehensive Spending Review which is anticipated in 2021.
- 5.5 All the financial implications that arise as part of this work, will be incorporated into an updated view of the Medium Term Financial Plan that will be presented to WMCA Board in September 2021. This update will also include a detailed costing of all WMCA activities and will support the policy choice conversations which may be required in order to reduce the long-term funding deficit and arrive at a balanced 2022/23 Draft Budget for presentation at the January 2022 Board meeting.

5.6 With respect to WMCA's future capital expenditure plans, it should be noted that WMCA is currently in dialogue with DfT with respect to the Intracity Transport Settlement (ICTS). The ICTS will essentially form the basis for the majority of transport capital funding over the next five years from April 2022. Details are yet to be provided by DfT, but it is expected conversations regarding the settlement will take place towards the end of August. An appropriate update will be provided to the next WMCA Board in September.

6.0 Collective Investment Fund (CIF) Loan

6.1 At its meeting of 29 July 2019, WMCA Investment Board agreed a concentration risk policy to be applied to its commercial and residential loan portfolio. The purpose of the concentration policy is to protect against WMCA being exposed to a single entity holding a significant proportion of WMCA loans, thereby presenting a higher risk to WMCA in the event of a default. Whilst the loan applicant has no other loans with WMCA at this point in time, the value of the loan exceeds £10m and therefore, requires supplementary approval by WMCA Board.

6.2 Details concerning the nature of the loan including the arrangements for loan security are included within Appendix 6 to be considered under the private agenda by virtue of the commercially confidential content.

7.0 Zero Emission Bus Regional Area submission to DfT

7.1 Following a successful expression of interest, WMCA has been invited by DfT to submit an application to the second phase of the Zero Emission Bus Regional Area (ZEBRA) scheme. The scheme would support further decarbonisation of the bus fleet serving the WMCA region, supporting the WM2041 plan and net zero strategy and will be in the region of £55m.

The application will follow the process as set out by DfT with submissions for assessment by 20 August 2021. This remains a competitive process and WMCA continues to work with partners to identify and mitigate risks through development of the full business case prior to submission. If successful, the full business case will be presented to WMCA Board at its September 2021 meeting including risks and resourcing implications for approval prior to acceptance of grant funds.

8.0 Investment Programme

8.1 The financial results for the Investment Programme run one month behind the regular management accounts due to the requirement to consolidate outputs across the metropolitan area. As not all Local Authorities produce results for April, the first Investment Programme update for 2021/22 will be reported to the next WMCA Board meeting in September.

9.0 Balance Sheet

9.1 A Balance Sheet for the first quarter will be provided to the next WMCA Board meeting in September.

10.0 Administered Funds

Funding Stream	2021/22 Full Year Grant Award £'000	2021/22 Spend to Date £'000	Purpose
Midlands Connect	6,238	455	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
Getting Building Fund	33,000	30,955	Investment in local infrastructure projects to stimulate jobs and support economic recovery. The WMCA is the accountable body with funding allocated to the 7 Mets and 3 LEPs.
Housing First Pilot	9,600	9,600	WMCA are the accountable body for this grant award that has now been paid to Birmingham City Council to develop work streams to help rough sleepers off the streets
One Public Estate	926	926	It was agreed by WMCA Board that WMCA would assume accountable body status for this grant award, that is delivering various projects that secure more from public sector assets through collective action.
Highways Maintenance Block	9,043	9,043	Distributed to the 7 Mets. excluding Birmingham City Council which has separate PFI arrangements, to deliver programmed highways maintenance works in line with the conditions of the grant award
Integrated Transport Block	17,755	13,548	Supporting delivery of the 7 Mets. Capital Programmes & WMCA's Minor Works Capital Programme
Total	76,562	64,527	

11.0 Financial Implications

11.1 The Financial Implications are set out in the report.

12.0 Legal implications

12.1 There are no legal implications.

13.0 Equalities implications

13.1 There are no equalities implications.

14.0 Inclusive Growth Implications

14.1 There are no Inclusive Growth implications.

15.0 Geographical Area of Report's Implications

15.1 The report encompasses the West Midlands region.

16.0 Appendices

- Appendix 1 – WMCA Consolidated Summary – May 2021
- Appendix 2 – WMCA Transport Revenue Summary - May 2021
- Appendix 3 – WMCA Delivery Budget Summary – May 2021
- Appendix 4 – WMCA Mayor Revenue Summary – May 2021
- Appendix 5 – WMCA Capital Transport Delivery Programme – May 2021
- Appendix 6 – PRIVATE APPENDIX CIF LOAN PROPOSAL

Appendix 1

WMCA Consolidated Revenue Budget Summary – Year Ending 31 May 2021

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	19,120	19,120	0	114,720	114,720	0
Commonwealth Games	429	475	(46)	5,423	5,423	0
Revenue Grants & Other Income	1,234	2,416	(1,182)	9,348	9,348	0
Adult Education Funding	26,888	30,846	(3,958)	142,698	142,698	0
Share of Business Rates	0	1,500	(1,500)	9,000	9,000	0
Constituent Membership	763	774	(11)	4,644	4,644	0
Non Constituent Members	71	71	0	425	425	0
Investment Programme	1,191	527	664	36,500	36,500	0
Investment Income	150	150	0	898	898	0
Use of Reserves	3,777	4,639	(862)	9,495	9,495	0
Total Funding	53,623	60,518	(6,895)	333,151	333,151	0
Transport for West Midlands	18,924	19,869	945	119,415	119,415	0
Commonwealth Games	429	475	46	5,423	5,423	0
Economy & Innovation	497	616	119	3,381	3,381	0
Environment, Energy & HS2	86	120	34	598	598	0
Housing and Land	168	233	65	1,400	1,400	0
Wellbeing	146	258	112	1,502	1,502	0
PSR & Social Economy	103	386	283	1,563	1,563	0
Culture and Digital	8	17	9	174	174	0
Productivity & Skills	27,534	32,371	4,837	147,598	147,598	0
Inclusive Communities	0	0	0	68	68	0
Business Support	455	211	(244)	2,064	2,064	0
Investment Programme	1,209	2,044	835	45,605	45,605	0
Mayoral Office	123	136	13	760	760	0
Mayoral Election	3,600	3,600	0	3,600	3,600	0
Total Expenditure	53,282	60,336	7,054	333,151	333,151	0
Net Expenditure	341	182	159	0	0	0
Transport	371	91	280	0	0	0
Delivery	(30)	91	(121)	0	0	0
Mayoral Office	0	0	0	0	0	0
Total Surplus / (Deficit)	341	182	159	0	0	0

The full year position at the end of May shows a £0.159m favourable variance from budget.

This is made up of £0.280m within Transport as a result of Child Concessions savings during Covid-19 driven by lower patronage and no fare increases. Revision of the Accessible Transport contract, including bringing the Customer Service team in-house, has delivered further savings, alongside staffing variations. Variances in Revenue Grants & Other Income and Adult Education Funding represent where activities have been reprofiled within the year, and so there has been no associated grant drawdown. These adverse variances are therefore offset by favourable variances within expenditure.

This is offset by an adverse variance of £0.121m within the Delivery budget. This represents an underlying £0.079m favourable variance offset by retimed draw down of £200k reserves.

Appendix 2

Transport for West Midlands full year revenue position – May 2021

<p>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.</p>									
	MAY 2021 YEAR TO DATE						FULL YEAR 2021/22		VARIANCE EXPLANATION(S)
	ACTUAL £000			BUDGET £000			YTD VARIANCE FAVOURABLE / (ADVERSE) £000	BUDGET £000	
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET			
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.
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.
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)	
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)	
Network Resilience									
Network Resilience	3	408	(405)	1	526	(526)	121	(3,181)	Primarily driven by staffing variations as recruitment takes place.
Commonwealth Games									
Commonwealth Games	429	429	0	475	475	0	0	(0)	
Business and Democratic Support									
Business and Democratic Support	0	582	(582)	0	614	(614)	32	(3,809)	
Strategic Development									
Strategic Development	165	709	(545)	264	883	(620)	75	(3,798)	
Transport Governance									
Transport Governance	0	20	(20)	0	22	(22)	1	(131)	
Capital Finance Charges									
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 3

West Midlands Combined Authority Delivery Budget – May 2021

FINANCIAL SUMMARY AS AT MAY 2021	MAY 2021 YEAR TO DATE			FULL YEAR 2019/20			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Operational Income							
Mayoral Capacity Funding	39	39	0	234	234	0	<p>(1) Efficiency target held centrally as part of Budgeting process, this adverse variance is offset by favourable variances within portfolios as the efficiencies are delivered.</p> <p>(2) Use of reserves to support the 21/22 budget haven't yet been required.</p>
Investment Interest Income	132	132	0	794	794	0	
Contribution - 7 Met Council's	763	774	(11)	4,644	4,644	0	
Contribution - Non constituent members	71	71	0	425	425	0	
Efficiency Savings Target (1)	0	111	(111)	665	665	0	
Use of Reserves (2)	0	200	(200)	1,200	1,200	0	
Total Income	1,005	1,327	(322)	7,962	7,962	0	
Enabling Services	455	322	(133)	2,729	2,729	0	
Total Expenditure	455	322	(133)	2,729	2,729	0	
Operational Income Net Total	550	1,005	(455)	5,233	5,233	0	
Economy & Innovation							
Other Industrial Strategy Income	111	83	28	692	692	0	<p>(1) No Economic Intelligence work has yet been undertaken with the scope of the work to be reviewed.</p>
DDCMS - Creative Scale Up	25	36	(11)	217	217	0	
Create Central Projects	84	89	(5)	432	432	0	
Office of Data Analytics	34	26	8	252	252	0	
Total Income	254	234	20	1,593	1,593	0	
Industrial Strategy	180	147	(33)	1,098	1,098	0	
DDCMS - Creative Scale Up	25	36	11	217	217	0	
Create Central Projects	91	101	10	504	504	0	
Policy and Programme Development	50	48	(2)	370	370	0	
Office of Data Analytics	34	26	(8)	252	252	0	
Economic Intelligence (1)	0	141	141	240	240	0	
Funding For Growth	117	117	0	700	700	0	
Total Expenditure	497	616	119	3,381	3,381	0	
Economy & Innovation Net Total	(243)	(382)	139	(1,788)	(1,788)	0	
Environment & Energy, HS2							
Energy Capital	39	54	(15)	240	240	0	
Total Income	39	54	(15)	240	240	0	
Environment	47	66	19	358	358	0	
Energy Capital	39	54	15	240	240	0	
Total Expenditure	86	120	34	598	598	0	
Environment & Energy, HS2 Net Total	(47)	(66)	19	(358)	(358)	0	
Housing and Land							
Director of Housing & Regeneration (1)	168	233	(65)	1,400	1,400	0	<p>(1) Minimal spend on external advice YTD subject to confirmation of strategic priorities following Mayoral Election.</p>
Total Income	168	233	(65)	1,400	1,400	0	
Director of Housing & Regeneration (1)	168	233	65	1,400	1,400	0	
Total Expenditure	168	233	65	1,400	1,400	0	
Housing and Land Net Total	0	0	0	0	0	0	
Wellbeing							
Other Mental Health Income	40	26	14	158	158	0	<p>(1) Driven by staffing variations as recruitment takes place for the Midlands Engine programme, as well as marketing not taking place as anticipated. Offset by associated reduction in grant drawdown.</p>
IPS Programme	25	25	0	153	153	0	
Fiscal Incentive Programme (1)	26	119	(93)	664	664	0	
Total Income	91	170	(79)	975	975	0	
Wellbeing and Prevention	92	114	22	685	685	0	
Well Being	3	0	(3)	0	0	0	
IPS Programme	25	25	0	153	153	0	
Fiscal Incentive Programme (1)	26	119	93	664	664	0	
Total Expenditure	146	258	112	1,502	1,502	0	
Wellbeing Net Total	(55)	(88)	33	(527)	(527)	0	

FINANCIAL SUMMARY AS AT MAY 2021	MAY 2021 YEAR TO DATE			FULL YEAR 2019/20				
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
Public Service Reform & Social Economy								
Homelessness (1)	16	248	(232)	581	581	0	<p>(1) Payments to charities as part of the Rough Sleeping Initiative have been rescheduled in line with updated timetable. Offset by associated reduction in grant drawdown.</p> <p>(2) No spend to date has yet been required on external advice budget for the Community Recovery project while the scope of the work is established.</p>	
Total Income	16	248	(232)	581	581	0		
Inclusive Growth and Public Sector Reform	42	42	0	250	250	0		
Inclusive Growth	17	32	15	358	358	0		
Public Service Reform (2)	28	64	36	374	374	0		
Homelessness (1)	16	248	232	581	581	0		
Total Expenditure	103	386	283	1,563	1,563	0		
Public Service Reform & Social Economy Net Total	(87)	(138)	51	(982)	(982)	0		
Skills and Productivity								
Productivity and Skills	12	12	0	73	73	0		<p>(1) Lower delivery by providers than expected. Funding will be reallocated to ensure all funding is utilised by December 2021. Offset by associated reduction in grant drawdown.</p> <p>(2) Some delivery not commenced as expected, including for Covid support. Offset by associated reduction in grant drawdown.</p> <p>(4) Driven by staffing variations</p> <p>(3) Contracts not awarded as expected. Offset by associated reduction in grant drawdown.</p>
Employment Support (1)	181	254	(73)	1,379	1,379	0		
Technical Education	10	11	(1)	41	41	0		
Adult Education (2)	26,888	30,846	(3,958)	142,698	142,698	0		
Careers	11	10	1	72	72	0		
Digital Skills (3)	202	947	(745)	1,691	1,691	0		
Investment Programme (Skills)	90	68	22	308	308	0		
Total Income	27,394	32,148	(4,754)	146,262	146,262	0		
Productivity and Skills (4)	81	129	48	776	776	0		
Employment Support (1)	181	254	73	1,379	1,379	0		
Technical Education	10	11	1	41	41	0		
Adult Education (2)	26,888	30,846	3,958	142,698	142,698	0		
Careers	11	10	(1)	72	72	0		
Digital Skills (3)	202	947	745	1,691	1,691	0		
Investment Programme (Skills)	90	68	(22)	308	308	0		
Continuous Improvement & Change	58	62	4	371	371	0		
Learning and Development	13	41	28	246	246	0		
Building Our Future Workforce	0	3	3	16	16	0		
Total Expenditure	27,534	32,371	4,837	147,598	147,598	0		
Skills and Productivity Net Total	(140)	(223)	83	(1,336)	(1,336)	0		
Culture and Digital								
Culture	0	0	0	0	0	0		
Total Income	0	0	0	0	0	0		
Culture	5	10	5	74	74	0		
Digital	3	7	4	100	100	0		
Total Expenditure	8	17	9	174	174	0		
Culture and Digital Net Total	(8)	(17)	9	(174)	(174)	0		
Inclusive Communities								
Total Income	0	0	0	0	0	0		
Youth Combined Authority	0	0	0	68	68	0		
Total Expenditure	0	0	0	68	68	0		
Inclusive Communities Net Total	0	0	0	(68)	(68)	0		
Delivery Budget Net Total	(30)	91	(121)	0	0	0		

Appendix 5

West Midlands Combined Authority Transport Delivery Capital Programme – May 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Metro	11,894	19,236	7,342	188,545	188,545	0
Rail	908	1,413	505	24,326	24,326	0
Sprint	83	411	328	4,662	4,662	0
TRANSPORT - INVESTMENT PROGRAMME	12,885	21,060	8,175	217,533	217,533	0

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was £8.2m lower than budget. The main variances are contained within the Metro Programme, these relate to the following:

Metro Wednesbury to Brierley Hill Extension £4.3m

The timing of payments related to the Victoria Steelworks (£1.98m) makes up most of this variance. £1.14m variance relates to Special Tools and Capital Spares - these items are expected to arrive by the end of June 21.

Metro Birmingham Eastside £2.1m

Due to the rescheduling of closing a subway; the Section 1 works for this project have not commenced as initially planned.

Metro Wolverhampton City Centre Extension £0.8m

There has been re-timing in the acquisition of Pipers Row Car Park. The contracts for the acquisition are being finalised and should be signed imminently.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Highway	270	388	118	10,414	10,414	0
Other	0	0	0	23,000	23,000	0
Rail	6,579	7,613	1,034	52,954	52,954	0
Sprint	3,276	5,610	2,334	62,262	62,262	0
TRANSPORT - COMMONWEALTH GAMES	10,125	13,611	3,486	148,630	148,630	0

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was £3.5m lower than budget. The main variances are as follows:

SPRINT-A45 Birmingham to Airport & Solihull £1.55m

Construction activity has begun along the Small Heath Highway, this will continue to increase throughout 21/22.

SPRINT-A34 Walsall to Birmingham £0.7m

Construction work has begun on the A34 from Scott Arms to Birmingham City Centre to extend bus lanes, upgrade junctions and fit new shelters. The underspend to date is expected to close in the coming months.

University Station Improvement Project £0.69m

Activity is expected to accelerate over the coming months bringing spend back in line with budget.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus	317	425	108	16,217	16,217	0
Highway	482	590	108	5,820	5,820	0
Other	405	1,015	610	10,074	10,074	0
Rail	77	58	(19)	250	250	0
Sprint	19	197	178	197	197	0
TRANSPORT - OTHER MAJOR PROGRAMMES	1,300	2,285	985	32,558	32,558	0

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was £0.99m below the budget. The main variances are as follows:

Future Mobility Zone – Transport Network Data £0.2m

The timing of the construction of the survey system has impacted progress to date.

Autonomous Highway, Rural & Parking Test Facilities (Meridian 3) £0.12m

A review of project scope has led to a rephrasing of the construction spend.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Minor Work Programme	2,252	2,644	392	11,309	11,309	0
TRANSPORT - MINOR WORKS	2,252	2,644	392	11,309	11,309	0

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was £0.39m below budget.

ADEPT Live Lab £0.28m

Profiled spend for CCTV cameras has not yet materialised.

West Midlands Combined Authority Transport Capital Programme Grants to Local Authorities – May 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Grants to Local Authorities	22	22	0	10,366	10,366	0
Total Grants to Local Authorities	22	22	0	10,366	10,366	0

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was as per budget.

West Midlands Combined Authority Capital Programme Investment Programme Grants to Local Authorities – May 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	9,432	9,502	70	91,287	91,287	0
Total Investment Programme Grants to Local Authorities	9,432	9,502	70	91,287	91,287	0

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was broadly in line with budget.

West Midlands Combined Authority Housing Capital Programme – May 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Housing	7,792	9,404	1,612	58,578	58,578	0
Total Housing	7,792	9,404	1,612	58,578	58,578	0

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was £1.6m below budget. The main variance is as follows:

Brownfield Land and Property fund BLPDF £1.45m

This variance is largely due to the re-profiled draw down of £1m funds related to Dudley Institute of Transformational Technology, this is now expected in July 21. Other minor variances relating to the Nuplace Southwater and Redsun projects are expected to close in the coming months as progress accelerates.