



West Midlands
Combined Authority

Transport Delivery Committee

Date	13 September 2021
Report title	Financial Monitoring Report
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Report has been considered by	Councillor Perez 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 July 2021 against the TfWM Revenue Budget shows an overall favourable variance of £1.647m, as detailed in Section A.
2. Note the TfWM Capital Programme expenditure as at the end of July 2021 totals £77.6m, which is £22.4m below budget, as detailed in Section B.

1. Purpose

- 1.1 This report sets out the financial position as at 31 July 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 July 2021 shows an overall favourable variance of £1.647m against budget.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	FORECAST £'000	BUDGET £'000	VARIANCE £'000
Net TfWM Expenditure before reserves	1,269	(1,599)	2,868	(3,799)	(4,695)	896
Budgeted use of reserves	363	1,584	(1,221)	4,637	4,695	(58)
Net TfWM Expenditure after reserves	1,632	(15)	1,647	838	0	838

- 2.2 This favourable variance is primarily driven by Concession savings during the pandemic due to reduced service provision by operators, lower patronage and 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 staffing variations and reduced operational costs, such as shelter repairs and monitoring, during the pandemic.
- 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 Over the full year it is expected that the YTD savings within Concessions and Accessible Transport will be required to offset the budgeted support to operators to deal with the impact of Covid-19.
- 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 £77.6m which was £22.4m below the year to date budget of £100m, with the variance primarily contained within the Investment Programme portfolio (£19.1m) and the Grants to Local Authorities (£2.6m).

TRANSPORT PROGRAMME	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme	31,183	50,292	19,109	188,874	218,331	29,457
CWG Programme	37,753	35,383	(2,370)	148,359	148,630	271
Other Major Programmes	3,163	4,979	1,816	27,963	32,369	4,406
Minor Work Programme	4,244	5,470	1,226	11,149	11,397	248
Grants to Local Authorities	1,299	3,918	2,619	9,091	9,366	275
TOTAL	77,642	100,042	22,400	385,436	420,093	34,657

- 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 year to date Budget of £50.3m, including all the Rail, Sprint & Metro Extension Schemes. At the end of July 2021, actual costs totalled £31.2m, which was £19.1m below the budget. The main variances at the end of July were contained within the Metro Programme totalling £14m.
- 3.4 Appendix 2 documents the financial performance of the TfWM Investment Programme schemes which has a total budget of £218.3m for 2021/22. At the end of July actual costs totalled £31.2m, which was £19.1m below the budget. The budget variance against the Metro Wednesbury to Brierley Hill of £6.5m is primarily driven by the scheduling of payments to the Victoria Steelworks.
- 3.5 The Birmingham Eastside extension budget variance of £4.7m relates to rescheduling of the project programme and the utilities diversion payment profile.
- 3.6 The remainder of the variance is primarily driven by the Walsall to Wolverhampton Local Enhancements rail project, where the procurement activity is being finalised.
- 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 July, actual costs totalled £35.4m, which was £2.4m over the budget. The main driver of the increased spend is the accelerated construction and drawdown of WMCA funding for the Alexander Stadium Redevelopment (-£9.1m).
- 3.8 Appendix 4 documents the financial performance against the Other Major schemes annual budget of £32.4m. 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 July, actual costs totalled £3.2m, which was £1.8m 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 £11.4m. This programme includes a broad range of relatively small

schemes. At the end of July, actual costs totalled £5.5m, which was £1.2m below the budget. This is primarily driven by lower than expected Local Authority claims to the Better Streets Community Fund.

- 3.10 Appendix 6 documents the financial performance against the Grants to Local Authorities Budget of £9.4m which relates primarily to the schemes funded within the Transforming Cities Fund which are in the early stages of development. At the end of July, actual expenditure was £1.3m, which was £2.6m below budget. This variance relates to the B4106 Spon End works, where the acquisition of 5 properties has been rephased into Q2 and Q3.

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

	JULY 2021 YEAR TO DATE							FULL YEAR 2021/22				VARIANCE EXPLANATION(S)
	ACTUAL £000			BUDGET £000			YTD VARIANCE FAVOURABLE / (ADVERSE) £000	FORECAST £000	BUDGET £000	FULL YEAR VARIANCE FAVOURABLE / (ADVERSE) £000		
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET		NET	NET			
Specific resources: Transport Levy	38,240	0	38,240	38,240	0	38,240	0	114,720	114,720	(0)	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.	
Use of Reserves	363	0	363	1,584	0	1,584	(1,221)	4,637	4,695	(57)		
TOTAL FUNDING	38,603	0	38,603	39,824	0	39,824	(1,221)	119,358	119,415	(57)		
Concessions											Driven by reduced services and patronage during the pandemic, with no fare increases further contributing to the variance. Over the full year the impact of Covid-19 will likely lead to an increase in the support provided to operators.	
National Bus Concession	37	16,466	(16,429)	32	17,418	(17,386)	958	(50,062)	(50,472)	410		
Metro / Rail	0	1,531	(1,531)	0	1,519	(1,519)	(12)	(4,568)	(4,572)	4		
Child Concession	0	2,070	(2,070)	0	2,307	(2,307)	238	(6,797)	(7,029)	232		
Bus Services	37	20,066	(20,029)	32	21,244	(21,212)	1,183	(61,426)	(62,073)	646	Favourable variance due to savings on cleaning and shelter repairs. Partly offset by a reduction in departure charge income as a result of Covid-19 that is expected to continue over the full year. YTD adverse variance driven by the profiling of CBSSG drawdown and payments to operators. Over the full year the support provided to operators will likely need to increase. The Accessible Transport contract with National Express has been revised, thus driving savings. This also includes bringing the NEAT customer service team in-house.	
Bus Stations / Infrastructure	2,881	4,120	(1,239)	2,410	4,181	(1,770)	531	(4,909)	(5,152)	243		
Subsidised Network	1,366	5,113	(3,747)	681	4,179	(3,497)	(250)	(11,495)	(11,478)	(17)		
Accessible Transport	(273)	1,749	(2,022)	0	2,212	(2,212)	190	(6,614)	(6,637)	24		
Rail and Metro Services	3,974	10,983	(7,009)	3,092	10,572	(7,480)	471	(23,017)	(23,267)	250	Lower insurance premiums and the profiling of fault finding work driving the YTD variance. Reduced cleaning and maintenance costs at park and ride locations. Changes in the Longbridge assumptions as a result of Covid-19 are causing a full year adverse variance.	
Metro Services	77	744	(667)	64	810	(746)	79	(2,621)	(2,579)	(42)		
Rail Services	501	1,300	(799)	459	1,435	(976)	177	(2,997)	(2,904)	(93)		
Integration	578	2,044	(1,466)	523	2,245	(1,722)	256	(5,617)	(5,483)	(134)	Additional CCTV income from WMP is driving the favourable variance alongside the profiling of CCTV equipment expenditure. Additional ticketing commission received as a result of increased sales, along with staffing variations.	
Safety and Security	273	487	(215)	223	679	(456)	241	(1,165)	(1,274)	109		
Passenger Information	4,642	6,427	(1,784)	268	2,335	(2,067)	282	(5,986)	(6,007)	21		
Sustainable Travel	273	803	(531)	429	912	(483)	(48)	(1,305)	(1,401)	97		
Network Resilience	5,188	7,717	(2,530)	920	3,925	(3,005)	475	(8,456)	(8,682)	226	Primarily driven by staffing variations as recruitment takes place.	
Commonwealth Games	59	896	(838)	1	1,052	(1,051)	213	(3,145)	(3,181)	35		
Business and Democratic Support	998	998	0	1,218	1,218	0	0	0	(0)	0		
Strategic Development	0	1,164	(1,164)	0	1,226	(1,226)	61	(3,799)	(3,809)	9	Favourable variance driven by staffing variations as well as increased work on FMZ capital projects allowing costs to be recharged. Further savings as a result of lower monitoring and research costs during the pandemic.	
Transport Governance	380	1,427	(1,047)	527	1,779	(1,251)	204	(4,054)	(3,915)	(139)		
Capital Finance Charges	0	41	(41)	0	44	(44)	3	(130)	(131)	1		
TOTAL EXPENDITURE	11,214	48,185	(36,971)	6,314	46,152	(39,839)	2,868	(118,520)	(119,415)	895		
NET	49,817	48,185	1,632	46,138	46,152	(15)	1,647	838	0	838		

Key:

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

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)	1,108	2,247	1,139	8,396	8,878	482
Rail - Walsall to Wolverhampton Local Enhancements (Package 1)	772	3,293	2,521	13,121	15,390	2,269
Rail - Sutton Coldfield Gateway	36	57	21	59	57	(2)
Metro						
Metro Birmingham Eastside Extension	7,455	12,183	4,728	59,946	66,735	6,789
Metro Wolverhampton City Centre Extension	1,312	2,296	984	3,013	3,030	17
Metro Wednesbury to Brierley Hill Extension	12,749	19,239	6,490	76,182	95,519	19,337
Metro Centenary Square/Edgbaston Extension	5,267	4,645	(622)	5,352	5,352	0
Bilston Road Track Replacement Phase 2	1	2	1	874	874	0
Metro Network Enhancements - Traction Power & OLE Upgrades	442	383	(59)	3,344	3,344	0
WIP Station and Car Park works	(54)	(54)	0	(54)	(54)	0
Metro Network Enhancements - Wednesbury Depot Upgrades	933	1,659	726	3,117	3,117	0
Metro Network Enhancements – Comms and Control	193	1,054	861	2,006	2,101	95
Buy Before Boarding	11	68	57	1,385	1,400	15
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	836	1,644	808	4,183	4,623	440
Metro Programme Management	0	(4)	(4)	0	13	13
Sprint						
Sprint - Hagley Road Phase 1	119	1,423	1,304	4,205	4,206	1
Sprint - Longbridge to Birmingham	0	68	68	204	204	0
Sprint - Hagley Road Phase 2	2	82	80	245	245	0
Sprint - Sutton Coldfield to Birmingham (via Langley)	0	7	7	7	7	0
TOTAL	31,182	50,292	19,110	188,874	218,330	29,456

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	10,618	10,726	108	35,926	36,122	196
Perry Barr Rail Station	3,966	4,619	653	15,125	16,832	1,707
Sprint - A45 Birmingham to Airport and Solihull	6,716	10,160	3,444	38,153	38,148	(5)
Sprint - A34 Walsall to Birmingham	3,755	5,574	1,819	24,033	24,033	0
A34 Sprint Park and Ride	1	81	80	81	81	0
Regional Transport Coordination Centre (RTCC) development	(39)	0	39	(39)	0	39
RTCC-Design and Layout/Commercialisation	214	401	187	1,852	1,852	0
RTCC-Data (Tactical and Operational Intelligence)	126	180	54	764	764	0
RTCC – ICT Equipment	17	25	8	58	58	0
RTCC-Operations	36	140	104	298	348	50
RTCC-Customer Information	0	25	25	76	76	0
RTCC-Highway Interventions	460	423	(37)	5,799	5,799	0
RTCC NWM Customer Interface Tool (Journey planner/Website)	138	402	264	1,019	1,304	285
Perry Barr Mitigation Package	47	71	24	213	213	0
Commonwealth Games 2022 - Alexander Stadium Redevelopment	11,700	2,556	(9,144)	25,000	23,000	(2,000)
TOTAL	37,755	35,383	(2,372)	148,358	148,630	272

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	33	44	11	144	144	0
Electric Vehicle (EV) Charging	144	197	53	197	197	0
Clean Bus Technology Fund 2017-2019	404	244	(160)	786	786	0
Cross City Bus - City Centre Package	46	232	186	2,246	3,764	1,518
Cross City Bus - Dudley – Druids Heath Package	70	195	125	1,154	967	(187)
Coventry Electric Bus City	54	52	(2)	4,937	4,917	(20)
Longbridge Connectivity Package	57	106	49	106	106	0
Connected and Autonomous Vehicles TestBed (CAV)	0	1	1	1	1	0
NPIF 2 Birmingham Growth Point	126	190	64	190	190	0
Key Route Network Safety	209	105	(104)	1,096	1,096	0
Dudley Interchange	79	216	137	3,346	5,782	2,436
Autonomous Highway Rural & Parking Test Facilities (Meridian 3)	288	612	324	782	782	0
Future Mobility Zone - Human Centered Data	12	55	43	102	124	22
Future Mobility Zone - Enabling Data Exploitation	86	78	(8)	1,136	1,106	(30)
Future Mobility Zone - Innovation Showcases	191	298	107	1,164	1,404	240
Future Mobility Zone - Programme Mgmt & Monitoring Evaluation	78	170	92	450	510	60
5G	191	195	4	2,891	2,891	0
Major Route Network - Programme	0	12	12	0	24	24
A435 Alcester Rd Bus Priority Revitalisation	4	4	0	1,047	1,047	0
Future Mobility Zone - Enhanced Ticket Platform	269	432	163	1,355	1,355	0
Major Road Network-A4123 Corridor -A4150 to A456	0	225	225	425	425	0
Major Road Network- A454 Wolverhampton to Nechells	0	60	60	344	344	0
Major Road Network-A449 Stafford Rd M54 J2 to A4150 Ring Rd	0	100	100	540	540	0
Major Road Network- A46 Link Road Ph2 Coventry	0	50	50	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	36	36	90	90	0
Future Mobility Zone - Transport Network Data	197	442	245	1,559	1,901	342
WM5G Grants for Transport Use	626	626	0	1,302	1,302	0
Major Road Network- A41 Moxley	0	0	0	73	73	0
TOTAL	3,164	4,977	1,813	27,963	32,368	4,405

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	2	2	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	6	6	18	18	0
Cycling						
Network Wide Cycling Programme (NWCP)	3	2	(1)	2	2	0
West Midlands Cycle Hire	2,893	2,883	(10)	3,531	3,531	0
Better Streets Community Fund	110	543	433	1,386	1,459	73
Priority One Development Workstream	149	345	196	811	960	149
Active Travel Fund-Tranche 2	59	72	13	363	363	0
LSTF - Cycle Counters	80	75	(5)	150	150	0
Highway						
ADEPT Live Lab	310	605	295	1,053	1,053	0
Asset Replacement						
IDOX - Asset Management System	1	3	2	14	14	0
Asset Management Programme	301	447	146	1,841	1,841	0
Real Time Information Upgrades	175	202	27	743	743	0
Other						
Bradley Lane Park and Ride	0	26	26	0	26	26
Asset Management- RTI Upgrades	2	54	52	450	450	0
Top Slice	0	0	0	50	50	0
AutopleX	30	51	21	71	71	0
HS2 Modelling Framework	11	30	19	89	89	0
TOTAL	4,246	5,469	1,223	11,149	11,397	248

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	1,500	1,500	0
B4106 Spon End (Coventry CC)	112	2,730	2,618	3,800	3,800	0
New St/High St/Victoria Sq Public Realm (Birmingham CC)	1,186	1,188	2	3,790	4,066	276
TOTAL	1,298	3,918	2,620	9,090	9,366	276