

## WMCA Board

<b>Date</b>	17 September 2021
<b>Report title</b>	Financial Monitoring Report 2021/22
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<b>This report has been considered by</b>	WMCA Senior Leadership Team 25 August 2021 WMCA Finance Directors 2 September 2021 WMCA Programme Board

### Recommendation(s) for action or decision:

#### WMCA Board is recommended to:

- (1) Note the financial position as at 31 July 2021 as detailed in Sections 2-4.
- (2) Note the latest forecast for 2021/22, incorporating the latest view of the impact of Covid-19 (Section 4).
- (3) Note the work being undertaken on the Electric Vehicle infrastructure strategy (Section 7) and the potential for WMCA to bid into The Office for Zero Emission Vehicles (OZEV) for supplementary funding during October / November 2021 once the details are published.
- (4) Note the use of £4.2m of Investment Programme Transport allocation to support Metro capital costs (Section 6).
- (5) To approve the Full Business Case for Binley Cycleway (£8.594m) noting the scope is subject to confirmation of the Active Travel Fund by DfT (Section 8).
- (6) To approve the drawdown of £5.894m from Transforming Cities Fund plus various sources and £2.70m of Active Travel Fund for the Binley Cycleway, with the latter being subject to DfT confirming WMCA's bid is successful (Section 8).

- (7) Note the possible requirement for a parent company guarantee or security deposit in relation to power supply contract for the Metro and delegate authority to S151 and Monitoring Officer to conclude those negotiations (Section 9).

## **1.0 Purpose**

- 1.1 To provide an update on the Combined Authority's finances as at the end of July 2021 (including the financial implications of Covid-19), and an update on the forecast outturn for 2021/22.

## **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 The overall year to date position at the end of July shows a £1.683m favourable variance from budget. This consists of a favourable variance within the Transport budget of £1.647m largely due to Concession savings during the pandemic as a result of reduced service provision by operators, lower patronage and no fare increases. A revision of the Accessible Transport contract and staffing variations have delivered further savings.
- 2.3 There is a further favourable variance of £0.036m within the Delivery budget. This is driven by staffing variations and a re-profiling of activities whilst the strategic priorities of WMCA are reviewed and the Covid-19 restrictions are eased.
- 2.4 The Mayoral Office budget remains broadly in line with budget at this stage of the year.
- 2.5 Appendix 1 shows the overall consolidated revenue position for the WMCA and appendices 2 to 4 present the detailed summaries for Transport, the WMCA Delivery budget and the Mayoral office respectively.

## **3.0 Capital Programme**

- 3.1 Appendix 5 sets out the position on the Capital Programme as at the end of July 2021. Actual costs totalled £111m, resulting in a favourable variance of £33.6m against a budget of £144.6m.
- 3.2 The quarter one forecast update exercise resulted in a reduction in the annual forecast of £49.8m across the Capital Programme. The largest movements are contained in the Transport Programme (£34.7m), Housing (£9m) and Grants to Local Authorities within the Investment Programme (£6.1m). The single largest movement is within the Metro programme where the Wednesbury to Brierley Hill Extension project has rephased £26.7m spend into future years; this is not expected to have an impact on delivery timescales for the project.
- 3.3 The year to date expenditure to budget variance is primarily contained within Transport (£22.4m), Grants to Local Authorities within the Investment Programme (£7.2m) and Housing (£3.9m).

3.4 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget of £218.3m, including all the Rail/Sprint & Metro extension schemes. At the end of July, actual costs totalled £77.6m, which was £22.4m below the budget of £100m. The main variances at the end of July were contained within the Metro Programme totalling £14m, further detail is available in Appendix 5.

#### **4.0 Revenue and Capital Forecast Update**

4.1 The first revenue forecast of 2021/22 was completed during July 2021. This forecast incorporates the latest central government funding position in response to Covid-19, as well as the profiling and cost of activities that will be delivered in the remainder of the year.

4.2 The forecast shows a £0.486m favourable position compared to the 2021/22 Budget.

4.3 Of this saving, £0.838m is within Transport, predominately as a result of the year to date Concessions savings from lower patronage and no fare increases, further supplemented by staffing variations and reduced operational costs, such as shelter repairs and monitoring, during the pandemic.

4.4 The full year forecast reflects the significant uncertainty inherent within the bus market as the industry continues to contract, which may require WMCA to subsidise additional socially and economically necessary bus services during 2021/22.

4.5 Officers continue to work through the details of Bus and Light Rail pandemic funding with DfT colleagues following confirmation that support will continue until the end of the financial year. This is positive news and will partially mitigate some of the operational risk within the 21/22 Transport Budget, however the underlying risks and uncertainty regarding the Bus and Light Rail networks remain.

4.6 The saving within Transport is partly offset by a movement within Delivery of £0.352m, primarily driven by the first quarter of budgeted efficiency savings reflecting the ongoing work across the organisation.

#### **5.0 Medium Term Financial Plan and Business Planning Update**

5.1 The Medium Term Financial Plan (MTFP) has continued to be reviewed throughout the Summer in line with the development of WMCA Corporate Strategy, incorporating feedback from Leaders on WMCA activity and updated planning assumptions. Discussions will continue with Leaders throughout October, ahead of the final MTFP position being presented to Board alongside WMCA Corporate Strategy in November.

5.2 The detailed annual business planning process for 2022/23 will be developed in tandem with the annual Budget process working with Directorates during October and November following consideration of the medium term corporate strategy and strategic objectives for onward delivery. This will include resource planning. A collaborative approach will enable detailed plans showing all project and BAU activity function and portfolio, aligned with a bottom-up budget and identified resources. The final stage will be developing metrics to measure performance over the year with SMART 1-year High Level Deliverables and phased milestones to be reported on a monthly cycle to SLT and 6 monthly to the WMCA Board.

## **6.0 Investment Programme**

- 6.1 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. The June expenditure is shown at Appendix 7, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily local authorities).
- 6.2 Appendix 8 details approved commitments from the WMCA Investment Programme, which totalled £853.6m as at 31st July 2021 (£833.3m as at 30th June 2021). The Investment Programme 'affordable limit' remains at £871m as agreed by WMCA Board in March 2021.
- 6.3 The commitment values above exclude the provisional 'ear-marked' allocations agreed by WMCA Board in March 2021. Commitments for some of these ear-marked items will be confirmed via the approval of further reports to WMCA Board.
- 6.4 Investment Programme funding actually drawn / incurred by projects against these funding commitments as at 30th June 2021 totals £330.8m.
- 6.5 The previous Financial Monitoring Report to WMCA Board noted the City Region Sustainable Transport Settlement (CRSTS) may present an opportunity for unfunded transport projects within the Investment Programme to be taken forward. The CRSTS proposal is subject to a supplementary report at this meeting on 17 September 2021.
- 6.6 At its meeting on 19 March 2021, WMCA Board agreed to increase the Investment Programme affordable limit by £70m. Of this £70m, £5m was ring-fenced for Capital pressures emerging due to Covid-19 related construction risks. It was agreed that any use of this £5m would be subject to WMCA standard governance and approval processes.
- 6.7 Of this sum, £0.8m was agreed to fund increased costs under the public service agreement to reimburse Midland Metro Limited for the costs following the rephasing of work schedules due to Covid-19. Construction costs have been provided by Midland Metro Alliance and assured through the assurance processes put in place to manage the Metro programme. The remaining £4.2m detailed within the report recommendations is required to meet the costs of Metro works due to increased construction costs as a result of utilities and Covid 19. This is compliant with assurance processes and within Authority Capital delegation limits.

## **7.0 Electric Vehicle Infrastructure Strategy**

- 7.1 The Office for Zero Emission Vehicles (OZEV) is working up the brief for the launch of an as yet untitled £90m fund for Electric Vehicle (EV) infrastructure projects. This is expected to target regional level initiatives with a focus on ultra-rapid charging along the Key Route Network. For clarity, the detail of this fund is not yet available and information is being sought by officers.
- 7.2 The Investment team have been in dialogue with OZEV since the WMCA Board approved the EV Infrastructure strategy in February 2020. The strategy identified a complimentary role for WMCA/TfWM in facilitating ultra-rapid charging through Transit Stations. All other aspects of EV Charging such as "on-street" and "charging hubs" were to be facilitated at local level, with WMCA/ TfWM supporting where possible.

- 7.3 There may be an opportunity for WMCA to be considered for a pilot project funded by an early release of a small proportion of the OZEV Fund. Timing for requesting bids and quantum is uncertain, but this may be as early as October or November 2021. In readiness, WMCA are working up a detailed Business Case and continuing dialogue with OZEV.
- 7.4 The West Midlands Finance Director Group have received a brief overview of the proposals and will need to be sufficiently appraised and assured on the structure / risk profile of any proposals prior to WMCA submitting a bid. Any decision to proceed with an investment would be subject to the WMCA Assurance process with investment decisions being made at the appropriate Board level.

## **8.0 Binley Cycleway Final Business Case**

- 8.1 The West Midlands Local Cycling and Walking Infrastructure Plan (LCWIP) was approved by WMCA Board in February 2019. The following month, Transforming Cities Fund (TCF) allocations were approved at WMCA Board allocating £23m towards a cycling and walking programme. The West Midlands LCWIP along with the TCF allocation to cycling and walking are referred to as the Walking and Cycling Programme.
- 8.2 As part of this programme, Coventry City Council intend to develop a core network of high quality segregated cycleways across the city to break down the biggest barrier to people cycling; safety concerns. Binley Cycleway will be one of the first of these cycleways to be delivered as part of the West Midlands Starley Network and will complement the Coundon Cycleway, which is being provided as part of the Local Air Quality Action Plan.
- 8.3 Binley Cycleway will provide a segregated cycleway that will run for ~6,400m along the Binley Road/ Brinklow Road /Clifford Bridge Road corridor, connecting Coventry city centre with University Hospital, via Binley Business Park. It will be provided by re-allocating highway space from a mixture of carriageway, footway and verges.
- 8.4 The total anticipated scheme cost for Binley Cycleway covered under the Full Business Case (FBC) is £8.594m, of which £0.275m is for the development and a further £8.319m is for the delivery of the scheme.
- 8.5 A total of £5.894m funding has been confirmed through the Walking and Cycling Programme, the DfT Active Travel Fund (tranche 2) confirmed allocations, WMCA grant contribution (£69k) and Coventry City Council funding contribution (£61k). The remaining sum of £2.70m has been included within the DfT Active Travel Fund (tranche 3) 2021-22 Capital Bid, the outcome of which won't be known until October/November 2021.
- 8.6 An assessment of the costs and benefits of the scheme has been carried out using the Department for Transport's (DfT) Active Mode Appraisal Toolkit (AMAT). This showed that the scheme has a benefit-to-cost-ratio (BCR) of 1.2.
- 8.7 Coventry City Council's Highways Team will lead on the procurement, delivery and maintenance of the scheme.

## **9.0 Metro Power Supply**

- 9.1 Procurement is underway for a new power contract for the Metro operations. There is a possibility a parental company guarantee, or security deposit will be required as part of the final contract arrangements. Negotiations are due to be concluded by the end of September.
- 9.2 It is recommended that delegation to conclude these negotiations is given to the Section 151 and Monitoring Officers.

## **10.0 Administered Funds**

Administered Funds as at 31 July 2021 totalled £67.5m. A breakdown of this amount is included within Appendix 6.

## **11.0 Financial Implications**

- 11.1 The Financial Implications are set out in the report.

## **12.0 Other Implications**

- 12.1 There are no specific Legal, Equalities, Inclusive Growth, Geographical or Other implications arising from this report.

## **Appendices**

- Appendix 1 – WMCA Consolidated Summary – July 2021
- Appendix 2 – WMCA Transport Revenue Summary - July 2021
- Appendix 3 – WMCA Delivery Budget Summary – July 2021
- Appendix 4 – WMCA Mayor Revenue Summary – July 2021
- Appendix 5 – WMCA Capital Transport Delivery Programme – July 2021
- Appendix 6 – WMCA Administered Funds – July 2021
- Appendix 7 – WMCA Investment Programme Summary – June 2021
- Appendix 8 – WMCA Investment Programme Commitments – July 2021
- Appendix 9 – WMCA Balance Sheet – July 2021
- Appendix 10 – Binley Cycleway Full Business Case (available at the following link)  
<https://www.wmca.org.uk/media/5111/appendix-10-binley-cycleway-fbc.pdf>

## Appendix 1

### WMCA Consolidated Revenue Budget Summary – Year Ending 31 July 2021

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	38,240	38,240	0	114,720	114,720	0
Commonwealth Games	0	1,218	(1,218)	5,346	5,423	(77)
Revenue Grants & Other Income	4,929	4,376	553	11,865	9,348	2,517
Adult Education Funding	45,914	52,787	(6,873)	142,698	142,698	0
Share of Business Rates	0	3,000	(3,000)	9,000	9,000	0
Constituent Membership	1,548	1,548	0	4,644	4,644	0
Non Constituent Members	142	142	0	425	425	0
Investment Programme	2,569	1,115	1,454	36,500	36,500	0
Investment Income	300	300	0	898	898	0
Use of Reserves	3,963	5,584	(1,621)	9,437	9,495	(58)
<b>Total Funding</b>	<b>97,605</b>	<b>108,310</b>	<b>(10,705)</b>	<b>335,533</b>	<b>333,151</b>	<b>2,382</b>
Transport for West Midlands	36,971	39,838	2,867	118,518	119,415	897
Commonwealth Games	0	1,218	1,218	5,346	5,423	77
Economy & Innovation	1,543	1,199	(344)	3,981	3,381	(600)
Environment, Energy & HS2	251	244	(7)	1,252	598	(654)
Housing and Land	436	467	31	1,333	1,400	67
Wellbeing	354	515	161	1,332	1,502	170
PSR & Social Economy	381	626	245	1,628	1,563	(65)
Culture and Digital	37	57	20	214	174	(40)
Productivity & Skills	48,674	55,543	6,869	149,010	147,598	(1,412)
Inclusive Communities	24	17	(7)	68	68	0
Business Support	643	421	(222)	2,400	2,064	(336)
Investment Programme	2,604	4,150	1,546	45,605	45,605	0
Mayoral Office	250	261	11	760	760	0
Mayoral Election	3,600	3,600	0	3,600	3,600	0
<b>Total Expenditure</b>	<b>95,768</b>	<b>108,156</b>	<b>12,388</b>	<b>335,047</b>	<b>333,151</b>	<b>(1,896)</b>
<b>Net Expenditure</b>	<b>1,837</b>	<b>154</b>	<b>1,683</b>	<b>486</b>	<b>0</b>	<b>486</b>
Transport	1,632	(15)	1,647	838	0	838
Delivery	205	169	36	(352)	0	(352)
Mayoral Office	0	0	0	0	0	0
<b>Total Surplus / (Deficit)</b>	<b>1,837</b>	<b>154</b>	<b>1,683</b>	<b>486</b>	<b>0</b>	<b>486</b>

The year to date position at the end of July shows a £1.683m favourable variance from budget.

This is made up of £1.647m within Transport as a result of 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. However, over the full year it is expected that these savings will be required to offset the budgeted support to operators driven by the impact of Covid-19.

There is a further favourable variance of £0.036m within the Delivery budget as a result of the re-profiling of activity programmes to later in the year. This also includes grant programmes, including Adult Education where re-profiled delivery has required lower grant drawdown. Full Year Variances are offset by corresponding grant income as noted in Appendix 3.

## Appendix 2

### Transport for West Midlands full year revenue position – July 2021

**Headlines**  
 As at the end of July 2021 there is a £1.647m favourable year to date variance against budget.  
 This is primarily driven by ENCTs and 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 the timing of payments to Subsidised Bus operators and by lower than budgeted drawdown of reserves to support the overall budget as they have not yet been required.  
 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 driven by the impact of Covid-19.

**Key:**  
 ● Favourable Variance  
 ● No Variance or Offset by Grant  
 ● Adverse Variance

	JULY 2021 YEAR TO DATE						YTD VARIANCE FAVOURABLE / (ADVERSE) £000	FULL YEAR 2021/22			VARIANCE EXPLANATION(S)
	ACTUAL £000			BUDGET £000				FORECAST £000	BUDGET £000	FULL YEAR VARIANCE FAVOURABLE / (ADVERSE) £000	
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET		NET	NET	NET	
Specific resources:											
Transport Levy	38,240	0	38,240	38,240	0	38,240	0	114,720	114,720	(0)	
Use of Reserves	363	0	363	1,584	0	1,584	(1,221)	4,637	4,695	(57)	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.
<b>TOTAL FUNDING</b>	<b>38,603</b>	<b>0</b>	<b>38,603</b>	<b>39,824</b>	<b>0</b>	<b>39,824</b>	<b>(1,221)</b>	<b>119,358</b>	<b>119,415</b>	<b>(57)</b>	
<b>Concessions</b>											
National Bus Concession	37	16,466	(16,429)	32	17,418	(17,386)	958	(50,062)	(50,472)	410	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.
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	
	37	20,066	(20,029)	32	21,244	(21,212)	1,183	(61,426)	(62,073)	646	
<b>Bus Services</b>											
Bus Stations / Infrastructure	2,881	4,120	(1,239)	2,410	4,181	(1,770)	531	(4,909)	(5,152)	243	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.
Subsidised Network	1,366	5,113	(3,747)	681	4,179	(3,497)	(250)	(11,495)	(11,478)	(17)	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.
Accessible Transport	(273)	1,749	(2,022)	0	2,212	(2,212)	190	(6,614)	(6,637)	24	The Accessible Transport contract with National Express has been revised, thus driving savings. This also includes bringing the NEAT customer service team in-house.
	3,974	10,983	(7,009)	3,092	10,572	(7,480)	471	(23,017)	(23,267)	250	
<b>Rail and Metro Services</b>											
Metro Services	77	744	(667)	64	810	(746)	79	(2,621)	(2,579)	(42)	Lower insurance premiums and the profiling of fault finding work driving the YTD variance.
Rail Services	501	1,300	(799)	459	1,435	(976)	177	(2,997)	(2,904)	(93)	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.
	578	2,044	(1,466)	523	2,245	(1,722)	256	(5,617)	(5,483)	(134)	
<b>Integration</b>											
Safety and Security	273	487	(215)	223	679	(456)	241	(1,165)	(1,274)	109	Additional CCTV income from WMP is driving the favourable variance alongside the profiling of CCTV equipment expenditure.
Passenger Information	4,642	6,427	(1,784)	268	2,335	(2,067)	282	(5,986)	(6,007)	21	Additional ticketing commission received as a result of increased sales, along with staffing variations.
Sustainable Travel	273	803	(531)	429	912	(483)	(48)	(1,305)	(1,401)	97	
	5,188	7,717	(2,530)	920	3,925	(3,005)	475	(8,456)	(8,682)	226	
<b>Network Resilience</b>											
Network Resilience	59	896	(838)	1	1,052	(1,051)	213	(3,145)	(3,181)	35	Primarily driven by staffing variations as recruitment takes place.
<b>Commonwealth Games</b>											
Commonwealth Games	998	998	0	1,218	1,218	0	0	0	(0)	0	
<b>Business and Democratic Support</b>											
Business and Democratic Support	0	1,164	(1,164)	0	1,226	(1,226)	61	(3,799)	(3,809)	9	
<b>Strategic Development</b>											
Strategic Development	380	1,427	(1,047)	527	1,779	(1,251)	204	(4,054)	(3,915)	(139)	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.
<b>Transport Governance</b>											
Transport Governance	0	41	(41)	0	44	(44)	3	(130)	(131)	1	
<b>Capital Finance Charges</b>											
Capital Finance Charges	0	2,848	(2,848)	0	2,848	(2,848)	0	(8,874)	(8,874)	0	
<b>TOTAL EXPENDITURE</b>	<b>11,214</b>	<b>48,185</b>	<b>(36,971)</b>	<b>6,314</b>	<b>46,152</b>	<b>(39,839)</b>	<b>2,868</b>	<b>(118,520)</b>	<b>(119,415)</b>	<b>895</b>	
<b>NET</b>	<b>49,817</b>	<b>48,185</b>	<b>1,632</b>	<b>46,138</b>	<b>46,152</b>	<b>(15)</b>	<b>1,647</b>	<b>838</b>	<b>0</b>	<b>838</b>	



### Appendix 3

#### West Midlands Combined Authority Delivery Budget – July 2021

Note : Income has been disaggregated across the Portfolio for information

FINANCIAL SUMMARY AS AT JULY 2021	JULY 2021 YEAR TO DATE			FULL YEAR 2021/22			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Operational Income</b>							
Mayoral Capacity Funding	78	78	0	234	234	0	
Investment Interest Income	264	264	0	794	794	0	
Contribution - 7 Met Council's	1,548	1,548	0	4,644	4,644	0	
Contribution - Non constituent members	142	142	0	425	425	0	
Efficiency Savings Target (1)	0	222	(222)	499	665	(166)	(1) Efficiency target held centrally as part of Budgeting process.
Use of Reserves (2)	0	400	(400)	1,200	1,200	0	(2) Use of reserves to support the 21/22 budget.
<b>Total Income</b>	<b>2,032</b>	<b>2,654</b>	<b>(622)</b>	<b>7,796</b>	<b>7,962</b>	<b>(166)</b>	
Enabling Services	643	643	0	2,899	2,729	(170)	
<b>Total Expenditure</b>	<b>643</b>	<b>643</b>	<b>0</b>	<b>2,899</b>	<b>2,729</b>	<b>(170)</b>	
<b>Operational Income Net Total</b>	<b>1,389</b>	<b>2,011</b>	<b>(622)</b>	<b>4,897</b>	<b>5,233</b>	<b>(336)</b>	
<b>Economy &amp; Innovation</b>							
Other Industrial Strategy Income (1)	633	225	408	1,210	692	518	
DDCMS - Creative Scale Up	81	72	9	208	217	(9)	
MHCLG - Brexit Support Preparations (2)	105	0	105	105	0	105	(1) Funding received from DBEIS to deliver the Made Smarter project and from the Investment Programme to support the West Midlands Innovation Programme. Offset by associated increases in expenditure.
Policy and Programme Development	30	0	30	32	0	32	
Office of Data Analytics	59	75	(16)	187	252	(65)	
Create Central Projects	160	159	1	438	432	6	
<b>Total Income</b>	<b>1,068</b>	<b>531</b>	<b>537</b>	<b>2,180</b>	<b>1,593</b>	<b>587</b>	(2) Additional grant for Brexit support offset by associated payment out to BCC.
Industrial Strategy (1)	756	359	(397)	1,628	1,098	(530)	
DDCMS - Creative Scale Up	81	72	(9)	208	217	9	
MHCLG - Brexit Support Preparations (2)	105	0	(105)	105	0	(105)	
Policy and Programme Development	125	116	(9)	406	370	(36)	(3) No spend to date while the scope of the work was reviewed. The majority of the work including the State of the Region report have been re-profiled to later in the year.
Office of Data Analytics	59	75	16	187	252	65	
Economic Intelligence (3)	0	161	161	240	240	0	
Funding For Growth	233	233	0	700	700	0	
Create Central Projects	184	183	(1)	507	504	(3)	
<b>Total Expenditure</b>	<b>1,543</b>	<b>1,199</b>	<b>(344)</b>	<b>3,981</b>	<b>3,381</b>	<b>(600)</b>	
<b>Economy &amp; Innovation Net Total</b>	<b>(475)</b>	<b>(668)</b>	<b>193</b>	<b>(1,801)</b>	<b>(1,788)</b>	<b>(13)</b>	
<b>Environment &amp; Energy, HS2</b>							
Environment (1)	55	0	55	158	0	158	
Energy Capital (2)	138	93	45	710	240	470	
<b>Total Income</b>	<b>193</b>	<b>93</b>	<b>100</b>	<b>868</b>	<b>240</b>	<b>628</b>	(1) Work on a number of programmes, including Regional Fuel Poverty, have been re-profiled to later in the year. Further WM2041 funding and offsetting expenditure are also forecast over the full year.
Energy Capital (2)	138	93	(45)	710	240	(470)	(2) Additional income received to fund Retrofit consultancy services and delivery of Green Homes project. Offset by associated increase in expenditure.
Environment (1)	113	151	38	542	358	(184)	
<b>Total Expenditure</b>	<b>251</b>	<b>244</b>	<b>(7)</b>	<b>1,252</b>	<b>598</b>	<b>(654)</b>	
<b>Environment &amp; Energy, HS2 Net Total</b>	<b>(58)</b>	<b>(151)</b>	<b>93</b>	<b>(384)</b>	<b>(358)</b>	<b>(26)</b>	
<b>Housing and Land</b>							
Director of Housing & Regeneration	436	467	(31)	1,333	1,400	(67)	
<b>Total Income</b>	<b>436</b>	<b>467</b>	<b>(31)</b>	<b>1,333</b>	<b>1,400</b>	<b>(67)</b>	
Director of Housing & Regeneration	436	467	31	1,333	1,400	67	
<b>Total Expenditure</b>	<b>436</b>	<b>467</b>	<b>31</b>	<b>1,333</b>	<b>1,400</b>	<b>67</b>	
<b>Housing and Land Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Wellbeing</b>							
Other Mental Health Income	97	53	44	259	158	101	
IPS Programme	51	51	0	152	153	(1)	
Fiscal Incentive Programme (1)	93	232	(139)	450	664	(214)	
<b>Total Income</b>	<b>241</b>	<b>336</b>	<b>(95)</b>	<b>861</b>	<b>975</b>	<b>(114)</b>	(1) Changes in delivery priorities and staffing variations have required lower grant drawdown.
Wellbeing and Prevention	210	232	22	730	685	(45)	
IPS Programme	51	51	0	152	153	1	
Fiscal Incentive Programme (1)	93	232	139	450	664	214	
<b>Total Expenditure</b>	<b>354</b>	<b>515</b>	<b>161</b>	<b>1,332</b>	<b>1,502</b>	<b>170</b>	
<b>Wellbeing Net Total</b>	<b>(113)</b>	<b>(179)</b>	<b>66</b>	<b>(471)</b>	<b>(527)</b>	<b>56</b>	

FINANCIAL SUMMARY AS AT JULY 2021	JULY 2021 YEAR TO DATE			FULL YEAR 2021/22			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Public Service Reform &amp; Social Economy</b>							
Inclusive Growth	13	0	13	20	0	20	<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) Programmes including establishment of an Inclusive Growth Taskforce and delivery of Community Recovery projects have been re-profiled to later in the year.</p>
Homelessness (1)	181	301	(120)	633	581	52	
<b>Total Income</b>	<b>194</b>	<b>301</b>	<b>(107)</b>	<b>653</b>	<b>581</b>	<b>72</b>	
Inclusive Growth and Public Sector Reform	85	83	(2)	316	250	(66)	
Inclusive Growth (2)	37	115	78	319	358	39	
Public Service Reform	78	127	49	360	374	14	
Homelessness (1)	181	301	120	633	581	(52)	
<b>Total Expenditure</b>	<b>381</b>	<b>626</b>	<b>245</b>	<b>1,628</b>	<b>1,563</b>	<b>(65)</b>	
<b>Public Service Reform &amp; Social Economy Net Total</b>	<b>(187)</b>	<b>(325)</b>	<b>138</b>	<b>(975)</b>	<b>(982)</b>	<b>7</b>	
<b>Skills and Productivity</b>							
Productivity and Skills	27	24	3	170	73	97	<p>(1) Payments to and delivery by providers has been impacted by Covid, thus requiring lower grant drawdown. Any savings will be used to fund other initiatives.</p> <p>(2) The culmination of delivery impacted by Covid in the last financial year with the additional expenditure offset by the associated grant drawdown.</p> <p>(3) Driven by staffing variations.</p> <p>(4) Limited spend to date, and has been re-profiled to later in the year.</p>
Employment Support	528	565	(37)	1,474	1,379	95	
Technical Education	20	17	3	47	41	6	
Adult Education (1)	45,914	52,787	(6,873)	142,698	142,698	0	
Careers	21	20	1	72	72	0	
Digital Skills (2)	1,720	1,564	156	2,341	1,691	650	
Investment Programme (Skills)	154	121	33	438	308	130	
Commonwealth Games	0	0	0	434	0	434	
<b>Total Income</b>	<b>48,384</b>	<b>55,098</b>	<b>(6,714)</b>	<b>147,674</b>	<b>146,262</b>	<b>1,412</b>	
Productivity and Skills (3)	180	258	78	873	776	(97)	
Employment Support	528	565	37	1,474	1,379	(95)	
Technical Education	20	17	(3)	47	41	(6)	
Adult Education (1)	45,914	52,787	6,873	142,698	142,698	0	
Careers	21	20	(1)	72	72	0	
Digital Skills (2)	1,720	1,564	(156)	2,341	1,691	(650)	
Investment Programme (Skills)	154	121	(33)	438	308	(130)	
Commonwealth Games	0	0	0	434	0	(434)	
Continuous Improvement & Change	116	124	8	371	371	0	
Learning and Development (4)	21	82	61	246	246	0	
Building Our Future Workforce	0	5	5	16	16	0	
<b>Total Expenditure</b>	<b>48,674</b>	<b>55,543</b>	<b>6,869</b>	<b>149,010</b>	<b>147,598</b>	<b>(1,412)</b>	
<b>Skills and Productivity Net Total</b>	<b>(290)</b>	<b>(445)</b>	<b>155</b>	<b>(1,336)</b>	<b>(1,336)</b>	<b>0</b>	
<b>Culture and Digital</b>							
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Culture	23	23	0	91	74	(17)	
Digital	14	34	20	123	100	(23)	
<b>Total Expenditure</b>	<b>37</b>	<b>57</b>	<b>20</b>	<b>214</b>	<b>174</b>	<b>(40)</b>	
<b>Culture and Digital Net Total</b>	<b>(37)</b>	<b>(57)</b>	<b>20</b>	<b>(214)</b>	<b>(174)</b>	<b>(40)</b>	
<b>Inclusive Communities</b>							
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Youth Combined Authority	24	17	(7)	68	68	0	
<b>Total Expenditure</b>	<b>24</b>	<b>17</b>	<b>(7)</b>	<b>68</b>	<b>68</b>	<b>0</b>	
<b>Inclusive Communities Net Total</b>	<b>(24)</b>	<b>(17)</b>	<b>(7)</b>	<b>(68)</b>	<b>(68)</b>	<b>0</b>	
<b>Operational Income Net Total</b>	<b>205</b>	<b>169</b>	<b>36</b>	<b>(352)</b>	<b>0</b>	<b>(352)</b>	

## Appendix 4

### West Midlands Combined Authority Mayoral Budget – July 2021

	JULY 2021 YEAR TO DATE			FULL YEAR 2021/22				
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
<b>MAYORAL OFFICE</b>								
Other Grants	250	261	(11)	760	760	0	No material variations year to date.	
<b>TOTAL INCOME</b>	<b>250</b>	<b>261</b>	<b>(11)</b>	<b>760</b>	<b>760</b>	<b>0</b>		
Staff Costs	246	242	(4)	730	704	(26)		
IT	3	4	1	9	11	2		
Travel & Subsistence	1	14	13	19	43	24		
Other	0	1	1	2	2	0		
<b>TOTAL EXPENDITURE</b>	<b>250</b>	<b>261</b>	<b>11</b>	<b>760</b>	<b>760</b>	<b>0</b>		
<b>MAYORAL ELECTION</b>								
Use of Reserves	3,600	3,600	0	3,600	3,600	0		
<b>TOTAL INCOME</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>		
Mayoral Election Costs	3,600	3,600	0	3,600	3,600	0		
<b>TOTAL EXPENDITURE</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>		
<b>NET MAYORAL BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

## Appendix 5

### West Midlands Combined Authority Transport Delivery Capital Programme – July 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Metro	29,146	43,115	13,969	162,635	189,342	26,707
Rail	1,916	5,597	3,681	21,577	24,326	2,749
Sprint	121	1,579	1,458	4,662	4,662	0
<b>TRANSPORT - INVESTMENT PROGRAMME</b>	<b>31,183</b>	<b>50,291</b>	<b>19,108</b>	<b>188,874</b>	<b>218,330</b>	<b>29,456</b>

#### **ACTUAL V BUDGET VARIANCE COMMENTARY**

At the end of July 2021, actual expenditure was £19.1m lower than budget. The main variances are contained within the Metro Programme, these relate to the following:

#### ***Metro Wednesbury to Brierley Hill Extension £6.5m***

The timing of payments related to the Victoria Steelworks acquisition makes up most of this variance, along with delays to utilities due to co-ordination of enabling works and traffic management.

#### ***Metro Birmingham Eastside Extension £4.7m***

The project programme and HS2 utilities diversion payment profile has been revised resulting in a variance to original budget.

#### ***Rail - Walsall to Wolverhampton Local Enhancements (Package 1) £2.5m***

The variance is mostly due to a short deferral of the contract commencement date as WMCA finalises the procurement stages of the project. A full revised timetable will be compiled by Q3.

#### ***Sprint – Hagley Road Phase 1 £1.3m***

The Section 278 agreement has yet to be agreed resulting in delays to the commencement of construction work.

**Rail - Camp Hill Line Local Enhancements £1.1m**

Due to finalising land assembly. Whilst there is no impact to the delivery timetable, signalling works and other transport planning activities will be re-programmed whilst the land assembly is being finalised.

**FORECAST V BUDGET VARIANCE COMMENTARY****Metro Wednesbury to Brierley Hill Extension £19.3m**

Construction work has been rephased into 22/23 and 23/24 pending approval of Target Cost 2.

**Metro Birmingham Eastside Extension £6.8m**

Reduced annual outturn as a result of the rephasing of HS2 utilities work (£5m) and rephasing of contingencies associated with land acquisition.

**Rail - Walsall to Wolverhampton Local Enhancements (Package 1) £2.5m**

The variance is mostly due to a short deferral of the contract commencement date as WMCA finalises the procurement stages of the project. These are offset by small overspends in legal costs and design works.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Highway	997	1,668	671	10,040	10,414	374
Other	11,700	2,556	(9,144)	25,000	23,000	(2,000)
Rail	14,584	15,344	760	51,051	52,954	1,903
Sprint	10,471	15,815	5,344	62,267	62,262	(5)
<b>TRANSPORT - COMMONWEALTH GAMES</b>	<b>37,752</b>	<b>35,383</b>	<b>(2,369)</b>	<b>148,358</b>	<b>148,630</b>	<b>272</b>

**ACTUAL V BUDGET VARIANCE COMMENTARY**

At the end of July 2021, actual expenditure was £2.4m overbudget. The main variances are as follows:

**Alexander Stadium Redevelopment (£9.1m)**

Construction work is accelerating ahead of the budget profile. The first WMCA funding draw down has now been received for £11.7m.

**Sprint – A45 Birmingham to Airport and Solihull £3.4m**

Deferred construction activity recovered during July and will continue to accelerate over the course of the year.

**Sprint – A34 Walsall to Birmingham £1.8m**

This project is comprised of 4 contracts, 1 in Walsall and Sandwell LA's and three in Birmingham. Construction work has commenced on Birmingham City Council contracts with Walsall and Sandwell areas expected to commence shortly. This is driving the year to date variance, but no significant annual variance is expected.

**FORECAST V BUDGET VARIANCE COMMENTARY**

**Alexander Stadium Redevelopment (£2m)**

The current year variance reflects the accelerated draw down of WMCA Investment Programme grant funding by Birmingham City Council.

**Perry Barr Rail Station £1.7m**

Bus Interchange construction and design costs of £1m has slipped into 2022/23. This is not expected to impact the project completion date. General construction costs of £0.5m are also expected to slip into next year.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus	652	939	287	12,469	16,217	3,748
Highway	965	1,410	445	5,607	5,631	24
Other	1,311	2,283	972	9,440	10,074	634
Rail	90	150	60	250	250	0
Sprint	144	197	53	197	197	0
<b>TRANSPORT - OTHER MAJOR PROGRAMMES</b>	<b>3,162</b>	<b>4,979</b>	<b>1,817</b>	<b>27,963</b>	<b>32,369</b>	<b>4,406</b>

## ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of July 2021, actual expenditure was £1.8m below budget. The main variances are as follows:

### ***Autonomous Highway, Rural & Parking Test Facilities (Meridian 3) £0.3m***

A change in the scope of the project spend has resulted in a cost saving of £0.09m and a PCR has also been submitted to move the remaining £0.2m to consortium partner WMG (dept at Uni of Warwick) to complete the proposed LiDAR scanning and 3D models.

### ***Future Mobility Zone – Transport Network Data £0.2m***

There is a delay with the development of the survey system, a lot of the current activity on the project is planning works to develop the software.

### ***Major Road Network – A4123 Corridor £0.2m***

Aspect of project allocated to local authority partners are yet to commence.

### ***Cross City Bus – City Centre Package £0.2m***

The FBC has not yet been approved and Birmingham City Council has raised questions on one of the designs which require more modelling.

## FORECAST V BUDGET VARIANCE COMMENTARY

### ***Dudley Interchange £2.4m***

An extension to the construction tender period has pushed back the award of the construction contract resulting in the forecasted annual underspend.

### ***Cross City Bus – City Centre Package £1.5m***

Summer Hill is being constructed in part by Birmingham City Council and no construction costs have yet been submitted for this.

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	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Minor Work Programme	4,244	5,470	1,226	11,149	11,397	248
<b>TRANSPORT - MINOR WORKS</b>	<b>4,244</b>	<b>5,470</b>	<b>1,226</b>	<b>11,149</b>	<b>11,397</b>	<b>248</b>

## ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of July 2021, actual expenditure was £1.2m below budget. The main variances are as follows:

### ***Better Streets Community Fund £0.4m***

Local Authority claims were lower in quarter one than expected due to resources being diverted to other LA schemes.

### ***ADEPT Live Lab £0.3m***

Budget which was allocated to BCU to develop an algorithm will be reallocated. Proposals are being prepared and reviewed with the Project Sponsor and the budget will be reprofiled in the next forecast.

### ***Priority One Development Workstream £0.2m***

Quarter one Local Authority claims were lower than budgeted.



## FORECAST V BUDGET VARIANCE COMMENTARY

### *Priority One Development Workstream £0.2m*

Reprofiled to reflect the latest LA schedules and to cater for the monitoring requirements for the delivery schemes.

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

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Grants to Local Authorities	1,299	3,918	2,619	9,091	9,366	275
<b>Total Grants to Local Authorities</b>	<b>1,299</b>	<b>3,918</b>	<b>2,619</b>	<b>9,091</b>	<b>9,366</b>	<b>275</b>

## ACTUAL V BUDGET VARIANCE COMMENTARY

### *B4106 Spon End (Coventry CC) £2.6m*

The acquisition costs of 5 properties have been rephased into Quarters two and three. It is not expected to effect the annual outturn.

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

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	17,555	24,798	7,243	85,192	91,287	6,095
<b>Total Investment Programme Grants to Local Authorities</b>	<b>17,555</b>	<b>24,798</b>	<b>7,243</b>	<b>85,192</b>	<b>91,287</b>	<b>6,095</b>

### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of July 2021, actual expenditure was £7.2m under budget.

#### ***UK Central Infrastructure Package £2.5m***

The programme is made up of 26 components with underspends across them. The main cause of this variance is the rephased completion of Kinghurst Village property acquisitions which are now expected to complete in September.

#### ***Solihull – HS2 Interchange £2m***

There has been significant deferred spend for the Roundabout Over-Trace project, which is now forecast for September.

#### ***Cov City of Culture £1.1m***

This project is composed of 21 separate components. The largest workstream variances are on the Screens and Digital scheme (£0.4m) and Retail Quarter (£0.3m), spend on these workstreams have been postponed to prioritise completion of other streams before the City of Culture start date.

### FORECAST V BUDGET VARIANCE COMMENTARY

#### ***UK Central Infrastructure Package £2.5m***

The slippage across the programme has been caused by multiple reasons including issues securing additional funding and legal agreements taking longer than anticipated to finalise.

### **Coventry UKC Plus – Coventry South Package £2.5m**

The first draw down of WMCA funding on the A46 Link Road Phase 1 scheme is now expected to occur in December rather than October 21. The slippage on this scheme's drawdown (£2.3m) accounts for most of this variance.

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### **West Midlands Combined Authority Housing Capital Programme – July 2021**

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Housing	15,826	19,772	3,946	49,555	58,578	9,023
<b>Total Housing</b>	<b>15,826</b>	<b>19,772</b>	<b>3,946</b>	<b>49,555</b>	<b>58,578</b>	<b>9,023</b>

### **ACTUAL V BUDGET VARIANCE COMMENTARY**

At the end of July 2021, actual expenditure was £3.9m under budget.

#### ***BHF – Pipeline £2.5m***

Several pipeline projects have not been realised through approval and go live. The forecast has been updated to reflect this.

#### ***Black Country Land and Property Investment Fund (LPIF) £1m***

Phoenix 10 spend of £0.3m has been rephased to December 2021 from June 2021, a preferred contractor has been selected to advance to stage 2 of the tendering process. The majority of spend budgeted for June 2021 (£0.7m) on the i54 Western Extension has now been deferred to October 2021.

### **FORECAST V BUDGET VARIANCE COMMENTARY**

#### ***BHF – Pipeline £4.2m***

More detailed assumptions about the timing of pipeline projects is now available, reflecting the later phasing than originally budgeted.

***Brownfield Land & Property Development Fund (BLPDF) £3.3m***

This variance is driven by the Shard End project where discussions around tax costs and funding are ongoing and spend has been pushed back a quarter into 2022/23.

***NCF – Pipeline £1.1m***

More detailed assumptions about the timing of pipeline projects is now available, reflecting the later phasing than originally budgeted.

## Appendix 6 – WMCA Administered Funds – July 2021

Funding Stream	2021/22 Full Year Grant Award £'000	2021/22 Spend to Date £'000	Purpose
Midlands Connect	6,238	1,252	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
Getting Building Fund	33,000	33,000	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	13,707	Supporting delivery of the 7 Mets. Capital Programmes & WMCA's Minor Works Capital Programme
<b>Total</b>	<b>76,562</b>	<b>67,528</b>	

## Appendix 7

### WMCA Investment Programme Financial Summary period ending 30th June 2021

PROGRAMME	2021 / 2022 YEAR TO DATE			2021 / 2022 FULL YEAR			COST TO COMPLETION					
	BUDGET	ACTUAL	VARIANCE	BUDGET	FORECAST	VARIANCE	PRIOR PERIOD	2021 / 2022	FUTURE YEARS	TOTAL	TOTAL	VARIANCE
	£000	£000	£000	£000	£000	£000	SPEND	FORECAST	FORECAST	FORECAST	EXPECTED	£000
							£000	£000	£000	£000	BUDGET	£000
											£000	
COVENTRY UKC PLUS	23,568	15,035	8,533	73,859	70,193	3,666	129,607	70,193	512,311	712,111	711,862	(249)
SPRINT PROGRAMME	10,807	7,399	3,408	66,844	66,366	477	30,376	66,366	237,512	334,254	329,067	(5,188)
RAIL PROGRAMME	8,055	4,245	3,810	41,158	36,876	4,281	23,058	36,876	155,353	215,287	221,000	5,713
METRO PROGRAMME	25,509	19,697	5,812	178,088	150,552	27,536	359,111	150,552	1,153,716	1,663,378	1,664,977	1,599
UK CENTRAL INFRASTRUCTURE PACKAGE	2,864	603	2,261	61,747	54,843	6,904	80,741	54,843	1,252,719	1,388,303	1,385,742	(2,561)
UK CENTRAL HS2 INTERCHANGE	2,265	1,066	1,200	19,450	19,611	(160)	27,484	19,611	485,429	532,523	530,023	(2,500)
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>73,068</b>	<b>48,044</b>	<b>25,024</b>	<b>441,146</b>	<b>398,441</b>	<b>42,705</b>	<b>650,377</b>	<b>398,441</b>	<b>3,797,039</b>	<b>4,845,857</b>	<b>4,842,671</b>	<b>(3,186)</b>
COVENTRY CITY CENTRE SOUTH REGENERATION	2,994	1,034	1,959	26,000	30,230	(4,231)	37,675	30,230	266,460	334,365	329,851	(4,514)
INNOVATION PROGRAMME	2,837	2,837	0	12,657	12,814	(157)	25,586	12,814	156,595	194,996	194,999	3
LAND RECLAMATION AND REMEDIATION	4,028	3,568	460	20,874	18,482	2,392	46,018	18,482	135,502	200,002	200,000	(1)
COMMONWEALTH GAMES 2022	4,526	8,018	(3,492)	33,092	42,563	(9,471)	31,690	42,563	5,007	79,260	72,534	(6,726)
EMPLOYMENT, EDUCATION & SKILLS	97	125	(28)	308	433	(124)	647	433	18,920	20,000	20,001	1
TOURISM, TRADE AND INVESTMENT PROGRAMME	2,708	2,708	-	10,834	10,834	-	1,573	10,834	11,541	23,948	23,948	-
COVENTRY ELECTRIC BUS CITY	39	42	(3)	4,917	4,936	(19)	10	4,936	134,554	139,500	139,500	-
REGIONAL RECOVERY & RISKS	1,239	1,239	-	17,028	17,028	0	-	17,028	36,723	53,750	53,750	-
COLLECTIVE INVESTMENT FUND	6,952	6,952	-	40,479	41,356	(877)	60,628	41,356	898,016	1,000,000	1,000,000	-
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>25,422</b>	<b>26,524</b>	<b>(1,103)</b>	<b>166,189</b>	<b>178,676</b>	<b>(12,486)</b>	<b>203,827</b>	<b>178,676</b>	<b>1,663,319</b>	<b>2,045,821</b>	<b>2,034,583</b>	<b>(11,237)</b>
<b>GRAND TOTAL</b>	<b>98,490</b>	<b>74,568</b>	<b>23,922</b>	<b>607,335</b>	<b>577,117</b>	<b>30,218</b>	<b>854,203</b>	<b>577,117</b>	<b>5,460,358</b>	<b>6,891,678</b>	<b>6,877,254</b>	<b>(14,423)</b>

# WMCA Investment Programme Financial Commentary

Period Ending 30th June 2021

In respect of full project costs to completion, the financial summary has been adjusted to reflect the revised budget based on the 2021/22 programme baseline. It should be noted that the impact of COVID-19 on projects within the WMCA Investment Programme is continuously being assessed by the accountable bodies, with each respective delivery organisation being required to manage the schemes within the funding available to them.

The cost to completion against UK Central Interchange remains red status due to the reduced funding gap of circa £131 million against the Birmingham International Station redevelopment project.

The Sprint programme is red status because of the A34 Walsall to Birmingham and A45 Birmingham to Airport & Solihull projects, for which discussions to confirm the funding package for the second delivery phase of these projects are continuing.

At the WMCA Board meeting on 19th March 2021, the WMCA Board agreed to revise the WMCA Investment Programme affordable limit from £801 million to £871m. Programmes that are funded from the Investment Programme beyond the current affordable limit are amber status.

The forecast spend for 2021/22 takes into account the re-profiling of expenditure in response to COVID-19, which is not considered to have an impact on the overall delivery of the projects.

Commentary concerning specific programme level variances is provided below:

## **Coventry UKC Plus (£8.5m)**

The year-to-date variance observed for the Coventry UKC Plus programme has resulted from the A46 Link Road Phase 1 (£4.4m), UK City of Culture 2021 Regeneration (£1.7m), Coventry Very Light Rail (£1.7m) and Coventry Station Masterplan (£0.7m) projects.

The Coventry Very Light Rail variance has been partially caused by issues with wiring looms, shipping and COVID-19 restrictions preventing travel for engineering staff within Q1 21-22. For Coventry Station Masterplan, some of the year-to-date variance is in respect of the Footbridge and Canopies work stream.

The variance of £1.7m for the UK City of Culture Regeneration project is split across 21 individual public realm and infrastructure improvement schemes throughout Coventry City Centre in preparation for UK City of Culture 2021. Work on the Screens and Digital Scheme has been postponed slightly so that the Precincts works were prioritised for the City of Culture Start date.

In each instance, the overall outputs are not expected to be affected by the variances observed.

## **Metro Programme (£5.8m)**

The year-to-date variance primarily comprises the Birmingham Eastside and Wednesbury to Brierley Hill extensions.

Utilities works and contingencies in respect of land acquisition have been re-phased for the Birmingham Eastside extension.

For the Wednesbury to Brierley Hill extension, construction work has been re-phased pending approval of contract terms.

## Appendix 8

### WMCA Investment Programme Commitment Profile as at 31<sup>st</sup> July 2021

£m	Total Expected Approvals	Approved Commitments	Actual Spend (Jun-21)
UK Central HS2 Interchange	398.0	63.0	27.2
UK Central Infrastructure Package	288.0	34.2	18.4
Sprint Programme	217.4	47.0	15.0
Rail Programme	119.6	62.5	14.5
Metro Programme	119.8	119.8	100.4
Coventry Electric Bus City	5.0	5.0	0.0
Coventry Station Masterplan (CSMP)	39.4	39.4	23.6
Coventry City of Culture Trust (2021)	4.0	4.0	3.4
Coventry UKC Plus - Very Light Rail: 'Transforming Connectivity'	55.0	12.2	10.1
Coventry North Package	21.6	0.2	0.2
Coventry South Package	136.5	7.4	0.3
Wednesbury to Brierley Hill Metro Extension	103.0	103.0	0.1
Coventry UKC Plus - UK City of Culture 2021 Regeneration	31.6	31.6	26.7
<b>SUB TOTAL HS2 GROWTH STRATEGY</b>	<b>1,538.9</b>	<b>529.4</b>	<b>240.0</b>
Coventry City Centre South Regeneration	150.0	150.0	22.2
Innovation Programme	50.0	16.1	9.1
Land Reclamation and Remediation	200.0	103.0	49.6
Commonwealth Games 2022	25.0	25.0	7.9
Employment, Education & Skills	20.0	1.3	0.8
Tourism, Trade and Investment Programme	2.6	2.6	0.0
Regional Recovery & Risks	35.5	26.2	1.2
<b>OTHER INVESTMENT PROGRAMME</b>	<b>483.1</b>	<b>324.2</b>	<b>90.8</b>
<b>TOTAL</b>	<b>2,022.0</b>	<b>853.6</b>	<b>330.8</b>



## Appendix 9 – WMCA Balance Sheet

<b>WMCA Balance Sheet as at 31 July 2021</b>			
	<b>31 July 2021 £'000</b>	<b>31 March 2021 £'000</b>	<b>Movement £'000</b>
Property, plant and equipment	520,720	496,874	23,846
Intangible assets	1,461	1,594	(133)
Investments	24,762	19,039	5,723
Loan Receivables	15,612	15,951	(339)
<b>Long-term assets</b>	<b>562,555</b>	<b>533,458</b>	<b>29,097</b>
Short-term debtors	71,680	56,381	15,299
Short-term deposits	439,500	248,300	191,200
Cash and bank	1,289	1,813	(524)
<b>Current assets</b>	<b>512,468</b>	<b>306,494</b>	<b>205,974</b>
Loans - interest due	(1,337)	(1,637)	300
Short-term loans	(47,000)	-	(47,000)
Short-term creditors/accruals	(121,093)	(111,860)	(9,233)
<b>Current liabilities</b>	<b>(169,430)</b>	<b>(113,497)</b>	<b>(55,933)</b>
<b>Net current assets</b>	<b>343,039</b>	<b>192,997</b>	<b>150,042</b>
Provisions	(4,185)	(4,305)	120
PWLB	(108,256)	(108,431)	175
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(5,594)	(5,595)	1
Grants receipts in advance	(419,962)	(350,116)	(69,846)
<b>Long-term liabilities</b>	<b>(547,997)</b>	<b>(478,447)</b>	<b>(69,550)</b>
<b>Net assets</b>	<b>357,597</b>	<b>248,008</b>	<b>109,589</b>
General fund balance	4,185	2,348	1,837
Earmarked reserves	310,517	183,696	126,821
Capital grants unapplied reserve	1,841	1,841	0
<b>Usable reserves</b>	<b>316,543</b>	<b>187,885</b>	<b>128,658</b>
Revaluation reserve	6,313	6,319	(6)
Deferred capital grants account	535,495	511,777	23,718
Capital financing account	(497,336)	(454,555)	(42,781)
Financial Instruments Adjustment Account	(2,388)	(2,388)	-
Accumulated absences account	(1,030)	(1,030)	-
<b>Unusable reserves</b>	<b>41,054</b>	<b>60,123</b>	<b>(19,069)</b>
<b>Total reserves</b>	<b>357,597</b>	<b>248,008</b>	<b>109,589</b>

The increase in short-term deposits and cash and bank is largely due to the receipt of the AEB, TCF, Gainshare and Intra-City Transport Settlements grants and short-term loans from local authorities offset by the payments in respect of the Adult Education Budget, Investment Programme and Metro extension schemes. Correspondingly, the TCF and Intra-City Transport Settlements grant contributed to the increase in grants receipts in advance whilst the Adult Education Budget and Gainshare grants contributed to the increase in earmarked reserves.

The in month cash deficit arose from the delayed receipt of Transforming Cities Fund grant from DfT (£60m), originally scheduled for late June 2021 but not received until 28 July 2021. Rather than liquidate investments earning c.0.08% the CA was able to secure temporary borrowing from other local authorities at 0.04%. All temporary borrowing has now been repaid.

Short-term debtors have increased due to higher trade receivables, grant income accrual and capital prepayments in respect of the Metro extension schemes.

Accelerated spending on SPRINT, Alexander Stadium redevelopment and University Station as these projects gain momentum were the main contributors to the increase in short-term creditors/accruals.

## **APPENDIX 10**

Binley Cycleway – available at the link below.

<https://www.wmca.org.uk/media/5111/appendix-10-binley-cycleway-fbc.pdf>