



## WMCA Board

<b>Date</b>	10 January 2022
<b>Report title</b>	Financial Monitoring Report
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<b>Report has been considered by</b>	Councillor Pervez Akhtar

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

The Transport Delivery Committee is recommended to:

1. Note the year to date position as at the end of November 2021 against the TfWM Revenue Budget shows an overall favourable variance of £2.877m, as detailed in Section A.
2. Note the TfWM Capital Programme expenditure as at the end of November 2021 totals £182.2m, which is £72.7m below budget, as detailed in Section B.

## 1. Purpose

- 1.1 This report sets out the financial position as at 30 November 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 November 2021 shows an overall favourable variance of £2.877m against budget.

	November 21 Year to Date			Full Year		
	Actual £'000	Budget £'000	Variance £'000	Forecast £'000	Budget £'000	Variance £'000
Net TfWM Surplus / (Deficit) before reserves	1,041	(3,648)	4,689	(3,819)	(4,695)	876
Budgeted Use of Reserves	1,274	3,086	(1,812)	5,057	4,695	362
<b>Net TfWM Surplus / (Deficit) after reserves</b>	<b>2,315</b>	<b>(562)</b>	<b>2,877</b>	<b>1,238</b>	<b>0</b>	<b>1,238</b>

- 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, and a reflection of the latest guidance regarding SFC grant. Current savings on cleaning and maintenance, along with ongoing staffing variations have also contributed to the favourable variance.
- 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 The full year position reflects the ongoing risks and expected cost pressures within the Transport network. However, the latest full year position shows an expected overall favourable movement of £1.24m against budget mainly due to residual savings against Concessions budgets and opportunities to fund posts from Capital grants in year within the Policy, Strategy & Innovation Directorate.
- 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 £182.2m which was £72.7m below the November year to date budget of £254.9m, with the variance primarily contained within the Investment Programme portfolio (£44.5m) and the Commonwealth Games Programme (£14.0m).

TRANSPORT PROGRAMME	YEAR TO DATE - NOV 21			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme	84,068	128,540	44,472	185,014	218,331	33,317
CWG Programme	81,557	95,512	13,955	142,944	149,276	6,332
Other Major Programmes	8,012	17,640	9,628	25,806	31,931	6,125
Minor Work Programme	6,956	9,002	2,046	10,991	12,521	1,530
Grants to Local Authorities	1,591	4,194	2,603	9,099	7,866	(1,233)
<b>TOTAL</b>	<b>182,184</b>	<b>254,888</b>	<b>72,704</b>	<b>373,854</b>	<b>419,925</b>	<b>46,071</b>

3.2 The TfWM delivered Investment Programme portfolio comprises the largest of the five Programmes within the Transport Programme, containing the schemes which feature in the WMCA Devolution Deal Investment Programme to be delivered by TfWM. These schemes are all, to some extent, funded from the West Midlands Combined Authority Devolution Deal funding arrangements.

3.3 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget to November of £128.5m, including all the Rail, Sprint & Metro Extension Schemes.

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 November actual costs totalled £84.1m, which was £44.5m below the budget. The largest year to date variance against budget is the Metro Birmingham Eastside Extension scheme of £16.1m which is primarily driven by the rescheduling of HS2 utilities work into the next financial year.

3.5 The Wednesbury to Brierley Hill extension year to date budget variance of £14.5m relates to rescheduling of the utilities work. Rail – Walsall to Wolverhampton Local Enhancements Package 1 project with a year to date budget variance of £5.2m is due to a rescheduling of the programme as a result of an incomplete land acquisition. The remainder of the variance to November is driven by several projects.

3.6 Appendix 3 documents the financial performance against the Commonwealth Games Programme with a budget of £149.3m. This includes all the schemes (SPRINT, Perry Barr & University Rail Stations, and Alexander Stadium Redevelopment) scheduled to be delivered in advance of the Games in July and August 2022. At the end of November, actual costs totalled £81.6m, which was £14m under budget. The main drivers of this variance are the Sprint projects, A45 Birmingham to Solihull £11.9m and A34 Walsall to Birmingham £8.6m. The Sprint projects are now seeing increased construction activity across the Walsall, Sandwell and Birmingham regions with no expected impact on project completion dates. Underspends in this programme are offset by the accelerated construction and drawdown of WMCA funding for the Alexander Stadium Redevelopment (-£12.2m).

- 3.7 Appendix 4 documents the financial performance against the Other Major Works programme annual budget of £32m. 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 November, actual costs totalled £8m, which was £9.6m below the budget. The main variance relates to the Cross City Bus – City Centre Package where a Traffic Regulation Order is being sought so that construction work and related activity can commence.
- 3.8 Appendix 5 documents the financial performance against the Minor Works Programme with a budget of £12.5m. This programme includes a broad range of relatively small schemes. At the end of November, actual costs totalled £7m, which was £2m below the budget. This is primarily driven by lower than expected claims from local authorities during the first two quarters of the year.
- 3.9 Appendix 6 documents the financial performance against the Grants to Local Authorities Budget of £7.9m which relates primarily to the schemes funded within the Transforming Cities Fund which are in the early stages of development. At the end of November, actual expenditure was £1.6m, which was £2.6m below budget. This variance relates to the B4106 Spon End works, where some property acquisitions have been rephased to later in the year.

## Appendix 1: Transport for West Midlands Revenue Budget Position 30 November 2021

	NOVEMBER 2021 YEAR TO DATE						FULL YEAR 2021/22			
	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	
Transport Levy	76,480	0	76,480	76,480	0	76,480	0	114,720	114,720	(0)
Use of Reserves	1,274	0	1,274	3,086	0	3,086	(1,812)	5,057	4,695	362
<b>TOTAL FUNDING</b>	<b>77,754</b>	<b>0</b>	<b>77,754</b>	<b>79,566</b>	<b>0</b>	<b>79,566</b>	<b>(1,812)</b>	<b>119,777</b>	<b>119,415</b>	<b>362</b>
<b>Concessions</b>										
National Bus Concession	109	33,526	(33,417)	68	34,701	(34,632)	1,215	(50,103)	(50,472)	369
Metro / Rail	0	3,049	(3,049)	0	3,038	(3,038)	(11)	(4,566)	(4,572)	6
Child Concession	0	4,214	(4,214)	0	4,618	(4,618)	403	(6,659)	(7,029)	370
	109	40,789	(40,680)	68	42,356	(42,288)	1,608	(61,328)	(62,073)	745
<b>Bus Services</b>										
Bus Stations / Infrastructure	5,582	8,493	(2,911)	4,880	8,331	(3,451)	540	(5,144)	(5,152)	8
Subsidised Network	2,586	9,937	(7,351)	1,363	9,019	(7,656)	306	(11,557)	(11,478)	(79)
Accessible Transport	(315)	3,262	(3,576)	0	4,425	(4,425)	849	(6,471)	(6,637)	167
	7,854	21,692	(13,838)	6,243	21,775	(15,532)	1,694	(23,171)	(23,267)	96
<b>Rail and Metro Services</b>										
Metro Services	163	1,446	(1,283)	128	1,745	(1,617)	334	(2,583)	(2,579)	(5)
Rail Services	934	2,613	(1,679)	923	2,892	(1,969)	290	(2,931)	(2,904)	(27)
	1,097	4,060	(2,962)	1,051	4,637	(3,586)	624	(5,514)	(5,483)	(31)
<b>Integration</b>										
Safety and Security	513	1,098	(585)	446	1,300	(854)	269	(1,030)	(1,274)	243
Passenger Information	9,186	12,915	(3,729)	646	4,692	(4,046)	317	(5,924)	(6,007)	82
Sustainable Travel	620	2,187	(1,566)	858	1,753	(895)	(671)	(1,705)	(1,401)	(304)
	10,320	16,200	(5,879)	1,950	7,745	(5,795)	(84)	(8,660)	(8,682)	22
<b>Network Resilience</b>										
Commonwealth Games	555	2,065	(1,510)	2	2,104	(2,102)	592	(3,123)	(3,181)	58
Business and Democratic Support	2,460	2,460	0	3,071	3,071	0	0	1	(0)	1
Strategic Development	0	2,332	(2,332)	0	2,453	(2,453)	122	(3,768)	(3,809)	41
Transport Governance	837	3,290	(2,452)	1,055	3,637	(2,583)	130	(3,971)	(3,915)	(56)
Capital Finance Charges	0	84	(84)	0	88	(88)	3	(130)	(131)	1
	0	5,701	(5,701)	0	5,701	(5,701)	0	(8,874)	(8,874)	0
<b>TOTAL EXPENDITURE</b>	<b>23,233</b>	<b>98,672</b>	<b>(75,439)</b>	<b>13,439</b>	<b>93,567</b>	<b>(80,128)</b>	<b>4,689</b>	<b>(118,539)</b>	<b>(119,415)</b>	<b>876</b>
<b>NET</b>	<b>100,987</b>	<b>98,672</b>	<b>2,315</b>	<b>93,005</b>	<b>93,567</b>	<b>(562)</b>	<b>2,877</b>	<b>1,238</b>	<b>0</b>	<b>1,238</b>

At the end of November 2021 there is a £2.877m favourable year to date variance against budget.

### Concessions

There are savings within the **ENCTs and Child Concession** budgets due to reduced services and patronage during the pandemic along with there being no fare increases.

### Bus Services

The revision of the **Accessible Transport** contract, including bringing the Customer Service team in-house, has delivered significant savings to date.

Within **Bus Stations and Infrastructure** budgets there is increased advertising revenue alongside savings on cleaning and maintenance and staffing variations which have contributed to the current favourable variance. A prudent view has been taken regarding the full year position.

Increased support for **Subsidised Bus** operators is expected towards the end of the year, hence current savings have not been reflected in the full year position.

## **Rail & Metro**

Within **Metro** lower insurance premiums and reduced engineering support for utility works are reflected in the savings to date.

The **Rail** position to date reflects reduced cleaning and maintenance costs at park and ride locations, alongside staffing variations. In the full year these savings are expected to be negated by lower car park receipts at Longbridge Park and Ride.

## **Integration**

Within the **Safety and Security** budget additional CCTV income from West Midlands Police and the re-profiling of CCTV equipment expenditure is reflected in the savings to date.

Within the **Passenger Information** budget there are savings against monitoring, marketing and market research.

The adverse variance within **Sustainable Travel** is largely due to lower cycle hire income between July and November.

## **Network Resilience**

The year to date position is primarily driven by staffing variations as recruitment takes place, alongside the profiling of external advice spend which is still expected to be required over the full year.

## **Strategic Development**

The favourable variance is due to increased work on capital projects allowing higher capital recharges, however these are expected to reduce as the projects come to an end. There are also savings as a result of lower monitoring and research costs during the pandemic.

Reserves earmarked to support the delivery of the West Midlands Cycle Hire scheme have been drawn down to offset the lower than budgeted income year to date, and it is expected that an above Budget use of reserves will be required in the full year. Reserves ear marked to support the 2021/22 Transport Budget have not been drawdown to date but are still expected to be required in year.

## APPENDIX 2: TfWM Delivered Investment Programme Schemes

INVESTMENT PROGRAMME	YEAR TO DATE - NOV 21			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
<b>Rail</b>						
Rail - Camp Hill Line Local Enhancements - Package 2	2,385	3,197	812	8,308	8,878	570
Rail - Walsall to Wolverhampton Local Enhancements - Package 1	2,859	8,020	5,161	10,694	15,390	4,696
Rail - Sutton Coldfield Gateway	41	57	16	34	57	23
<b>Metro</b>						
Metro Birmingham Eastside Extension	29,481	45,620	16,139	61,569	66,735	5,166
Metro Wolverhampton City Centre Extension	2,848	3,021	173	3,029	3,030	1
Metro Wednesbury to Brierley Hill Extension	30,539	45,048	14,509	77,015	95,519	18,504
Metro Centenary Square/Edgbaston Extension	9,684	7,905	(1,779)	4,975	5,352	377
Bilston Road Track Replacement Phase 2	1	10	9	874	874	0
Metro Network Enhancements - Traction Power & OLE Upgrades	1,886	2,411	525	2,926	3,344	418
WIP Station and Car Park works	(54)	(54)	0	(54)	(54)	0
Metro Network Enhancements - Wednesbury Depot Upgrades	1,598	3,012	1,414	2,478	3,117	639
Metro Network Enhancements – Comms and Control	693	1,690	997	1,656	2,101	445
Buy Before Boarding	22	751	729	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
MMA Innovation	60	0	(60)	0	0	0
MML Life Cycle Projects	1,748	3,517	1,769	4,088	4,623	535
Metro Programme Management	0	(7)	(7)	0	13	13
<b>Sprint</b>						
Sprint - Hagley Road Phase 1	211	4,034	3,823	2,293	4,206	1,913
Sprint - Longbridge to Birmingham	30	136	106	204	204	0
Sprint - Hagley Road Phase 2	31	164	133	245	245	0
Sprint - Sutton Coldfield to Birmingham - via Langley	6	7	1	7	7	0
<b>TOTAL</b>	<b>84,069</b>	<b>128,539</b>	<b>44,470</b>	<b>185,015</b>	<b>218,330</b>	<b>33,315</b>

## APPENDIX 3: Commonwealth Games Programme

COMMONWEALTH GAMES PROGRAMME	YEAR TO DATE - NOV 21			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
University Station Improvement Project	21,065	23,164	2,099	39,151	36,122	(3,029)
Perry Barr Rail Station	9,116	10,740	1,624	15,962	16,832	870
Sprint - A45 Birmingham to Airport and Solihull	14,347	26,213	11,866	32,437	38,594	6,157
Sprint - A34 Walsall to Birmingham	9,225	17,816	8,591	22,007	24,033	2,026
A34 Sprint Park and Ride	(1)	81	82	81	81	0
Regional Transport Coordination Centre - RTCC - development	(39)	0	39	(39)	0	39
RTCC-Design and Layout/Commercialisation	950	1,467	517	1,852	1,852	0
RTCC-Data - Tactical and Operational Intelligence	543	472	(71)	669	764	95
RTCC – ICT Equipment	17	42	25	58	58	0
RTCC-Operations	78	244	166	221	348	127
RTCC-Customer Information	6	51	45	58	76	18
RTCC-Highway Interventions	965	1,542	577	4,323	5,799	1,476
RTCC NWM Customer Interface Tool - Journey planner/Website	234	761	527	750	1,304	554
Perry Barr Mitigation Package	51	142	91	413	413	0
Commonwealth Games 2022 - Alexander Stadium Redevelopment	25,000	12,778	(12,222)	25,000	23,000	(2,000)
<b>TOTAL</b>	<b>81,557</b>	<b>95,513</b>	<b>13,956</b>	<b>142,943</b>	<b>149,276</b>	<b>6,333</b>

## APPENDIX 4: Other Major Works Programme

OTHER MAJOR WORKS PROGRAMME	YEAR TO DATE - NOV 21			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Snow Hill Public Realm	33	144	111	144	144	0
Electric Vehicle - EV - Charging	144	197	53	197	197	0
Clean Bus Technology Fund 2017-2019	525	520	(5)	786	786	0
Cross City Bus - City Centre Package	94	3,602	3,508	1,780	3,764	1,984
Cross City Bus - Dudley – Druids Heath Package	237	956	719	1,140	967	(173)
Coventry Electric Bus City	128	932	804	4,937	4,917	(20)
Longbridge Connectivity Package	99	106	7	123	106	(17)
Connected and Autonomous Vehicles TestBed - CAV	0	1	1	0	1	1
NPIF 2 Birmingham Growth Point	122	190	68	190	190	0
Key Route Network Safety	477	349	(128)	1,096	1,096	0
Dudley Interchange	300	1,278	978	2,458	5,782	3,324
Autonomous Highway Rural & Parking Test Facilities - Meridian 3	453	454	1	454	454	0
Future Mobility Zone - Human Centered Data	50	92	42	122	124	2
Future Mobility Zone - Enabling Data Exploitation	147	455	308	295	1,106	811
Future Mobility Zone - Innovation Showcases	442	821	379	1,154	1,404	250
Future Mobility Zone - Programme Mgmt and Monitoring Evaluation	181	315	134	507	510	3
5G	2,091	2,382	291	3,129	2,891	(238)
ConVEx-Connected Vehicle data Exchange	154	159	5	159	159	0
Major Route Network - Programme	0	18	18	0	24	24
A435 Alcester Rd Bus Priority Revitalisation	20	868	848	1,054	1,047	(7)
Future Mobility Zone - Enhanced Ticket Platform	482	580	98	1,355	1,355	0
Major Road Network-A4123 Corridor -A4150 to A456	46	355	309	425	425	0
Major Road Network- A454 Wolverhampton to Neachells	86	170	84	344	344	0
Major Road Network-A449 Stafford Rd M54 J2 to A4150 Ring Rd	15	230	215	540	540	0
Major Road Network- A46 Link Road Ph2 Coventry	250	150	(100)	250	250	0
Major Road Network- A46 Link Road Ph3 Coventry	0	0	0	250	250	0
Major Road Network- A38 Kingsbury Road Birmingham	46	52	6	90	90	0
Future Mobility Zone - Transport Network Data	541	1,219	678	1,722	1,901	179
WM5G Grants for Transport Use	835	1,044	209	1,032	1,032	0
Major Road Network- A41 Moxley	0	0	0	73	73	0
MRN-Cov North Package Link M6	15	0	(15)	0	0	0
<b>TOTAL</b>	<b>8,013</b>	<b>17,639</b>	<b>9,626</b>	<b>25,806</b>	<b>31,929</b>	<b>6,123</b>



## APPENDIX 5: Minor Works Programme

MINOR WORKS PROGRAMME	YEAR TO DATE - NOV 21			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
<b>Bus</b>						
Shelter Appeals	8	4	(4)	8	8	0
DfT Tackling Nitrogen Dioxide - Dudley MBC	1	1	0	5	5	0
DfT Tackling Nitrogen Dioxide - Wolverhampton MBC	49	100	51	296	296	0
Air Quality Grant	238	238	0	238	238	0
<b>Rail</b>						
Dudley Port Integrated Transport Hub	3	29	26	30	30	0
Aldridge Rail Station Study	17	12	(5)	17	18	1
<b>Cycling</b>						
Network Wide Cycling Programme - NWCP	3	2	(1)	3	2	(1)
West Midlands Cycle Hire	3,261	3,241	(20)	3,531	3,531	0
Better Streets Community Fund	332	1,174	842	1,385	1,459	74
Priority One Development Workstream	172	568	396	876	1,029	153
Active Travel Fund-Tranche 2	182	167	(15)	363	363	0
LSTF - Cycle Counters	93	150	57	93	150	57
Priority 1 Delivery- Perry Barr- Sutton Coldfield	0	0	0	0	500	500
Priority 1 Delivery- Binley Road Coventry	0	0	0	0	554	554
<b>Highway</b>						
ADEPT Live Lab	971	1,053	82	1,053	1,053	0
<b>Asset Replacement</b>						
IDOX - Asset Management System	2	14	12	14	14	0
Asset Management Programme	1,023	1,383	360	1,720	1,841	121
Real Time Information Upgrades	526	572	46	860	743	(117)
<b>Other</b>						
Bradley Lane Park and Ride	0	26	26	0	26	26
Asset Management- RTI Upgrades	9	146	137	289	450	161
Top Slice	0	0	0	50	50	0
Transport Data Unification - traffic data	1	1	0	0	1	1
AutopleX	56	61	5	71	71	0
HS2 Modelling Framework	11	59	48	89	89	0
<b>TOTAL</b>	<b>6,958</b>	<b>9,001</b>	<b>2,043</b>	<b>10,991</b>	<b>12,521</b>	<b>1,530</b>

## APPENDIX 6: Grants to Local Authorities

GRANTS TO LOCAL AUTHORITIES	YEAR TO DATE - NOV 21			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Cycling Programme	0	0	0	1,500	0	(1,500)
B4106 Spon End - Coventry CC	395	3,006	2,611	3,862	3,800	(62)
New St/High St/Victoria Sq Public Realm - Birmingham CC	1,195	1,188	(7)	3,737	4,066	329
<b>TOTAL</b>	<b>1,590</b>	<b>4,194</b>	<b>2,604</b>	<b>9,099</b>	<b>7,866</b>	<b>(1,233)</b>