



West Midlands  
Combined Authority

## Informal WMCA Board - WMCA Chief Executive's Consultation/Guidance

<b>Date</b>	14 January 2022
<b>Report title</b>	WMCA Draft Budget 2022/23
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<b>Report has been considered by</b>	West Midlands Finance Directors - 6 January 2022

### Recommendations for action or decision:

#### The informal WMCA Board is recommended to propose that the WMCA's Chief Executive:

1. Approves for consultation the Draft 2022/23 West Midlands Combined Authority consolidated Revenue budget summarised in Section 4. This includes:
  - a) The budget requirement for Transport delivery in 2022/23 comprising four elements:
    - i. £117.0m to be funded from the existing Transport Levy mechanism;
    - ii. £18.7m to be funded from grant awarded by the Commonwealth Games Organising Committee;
    - iii. Use of £4.5m Business Rates retention income;
    - iv. Transfer from earmarked reserves of £3.6m.

- b) The budget requirement for Non-Transport delivery in 2022/23 of £161.9 million comprising of five elements:
- i. £142.7m Adult Education spending to be funded from Adult Education Budget funding devolved by the Department for Education<sup>1</sup>;
  - ii. £6.7m to be funded from Devolution deal grants;
  - iii. £1.2m to be funded from other income, notably Investments;
  - iv. £4.6m to be funded from Constituent Authority fees (fees to remain at the same level as 2021/22);
  - v. £0.5m to be funded from Non-Constituent Authority and observer fees (which represents an increase of £5,000 a year per Non-Constituent Authority from 1 April 2022);
  - vi. Use of £6.0m Business Rates retention income.
2. Approves for consultation and scrutiny the Mayoral Office budget for 2022/23 of £0.8m to be funded from additional Mayoral Capacity Funding.
  3. Approves for consultation the Draft 2022/23 Capital Programme of £536m.
  4. Notes the planned spend on the Investment Programme over the period.
  5. Notes that there will be no Mayoral Precept during 2022/23.
  6. Notes West Midlands Combined Authority's commitment to work with the Mayor and Leaders to develop a long-term, sustainable budget and plan throughout 2022, building on the 2022/23 agreed Aims and Objectives and a sustainable financial plan.
  7. Notes the matters identified by Overview and Scrutiny Committee that arose out of the Mayoral Q&A on 15 December 2021.

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<sup>1</sup> The 2022/23 Adult Education Budget to be devolved from Department for Education will be confirmed in early 2022 and an update provided to Board.

## **1.0 Purpose**

- 1.1. This report presents the Draft 2022/23 Budget for consideration by the West Midlands Combined Authority Board, to allow for feedback to inform the Final 2022/23 Budget to be approved in February 2022.
- 1.2. The WMCA Overview and Scrutiny Committee has undertaken the scrutiny work and feedback following the Mayoral Q&A session on the budget which took place on 15 December 2021 is attached to this report at Appendix 6.

## **2.0 Background**

- 2.1. This report represents the first part of the formal process to determine the WMCA Budget, Levy and Precept levels for 2022/23. If approved, this report will form the basis for budget proposals to WMCA Board on 11 February 2022.
- 2.2. The vision of WMCA is to deliver a more prosperous and better-connected West Midlands which is fairer, greener and healthier. The Aims and Objectives for WMCA in 2022/23 were approved by WMCA Board in November 2021, and the Draft 2022/23 Budget has been developed in conjunction with this agreed remit. This report includes the proposed WMCA activity for 2022/23 alongside the funding requirement in order to deliver this and represents the first occasion on which WMCA's Budget and Annual Business Plan have been developed as part of the same singular process. This improved approach will underpin the future Budget and Business Planning process.
- 2.3. The national economic picture has improved in the last 12 months as the country recovers from the sharp shock of lockdown. However, the impact of Covid-19 continues to be felt across the country and, with new variants emerging, there remains the potential that further restrictions may be re-introduced within the UK. The 2022/23 Draft Budget has been prepared using the best information available at the time of writing and, therefore, does not include an assessment of the financial impact of future restrictions within the West Midlands.
- 2.4. As part of the 2021 Comprehensive Spending Review, the Chancellor of the Exchequer announced a £1.05bn award to WMCA as part of the City Regional Sustainable Transport Settlement (CRSTS) Fund. CRSTS is a capital grant, so allows WMCA to continue with its wide-ranging Capital Programme but does not provide any additional revenue support for the ongoing operational costs of the Transport network. At the 2021 Spending Review, a £4bn "Levelling Up" fund was announced, which will be jointly held by Department for Transport (DfT), Department for Levelling Up, Housing and Communities (DLUHC, previously Ministry for Housing, Communities and Local Government, MHCLG) and Department for Business, Energy & Industrial Skills (BEIS). At the time of writing, the Levelling Up White Paper is expected to be published in early 2022. Officers continue to work with Her Majesty's Government (HMG) to identify all additional funding opportunities open to WMCA.
- 2.5. The key headlines for the 2022/23 Draft Budget are as follows:
  - Increased additional funding into the region to assist in the delivery of WMCA priorities.
  - No Mayoral Precept to be introduced for 2022/23.

- Total Revenue expenditure of £341.7m, alongside a Capital Programme totalling £536m for 2022/23.
- Transport Levy to be increased by 2.0% compared with 2021/22, recognising the continued risks and ongoing pressures within the Transport network and in line with expected rise in Council tax.
- A modest uplift in Non-Constituent fees from April 2022 rising from £25,000 to £30,000 per Non-Constituent Authority and rising to £35,000 per Non-Constituent Authority in 2023/24.

### **3.0 2021/22 Medium Term Financial Plan Update**

- 3.1. The 2021/22 Medium Term Financial Plan (MTFP) was initially presented to WMCA Board in June 2021, and subsequently revised throughout Summer 2021, alongside the development of WMCA's Aims and Objectives.
- 3.2. The latest position was presented to WMCA Board in November 2021, showing a funding gap solution had been identified for 2022/23, but that a gap of £45.0m was expected by 2026/27.

**Table 1 - MTFP as presented to WMCA Board November 2021**

£m	Budget	MTFP				
	21/22	22/23	23/24	24/25	25/26	26/27
Transport Levy	114.7	117.0	117.0	117.0	117.0	117.0
Commonwealth Games	5.4	20.7	-	-	-	-
Revenue Grants & Other Income	9.3	4.7	3.0	1.6	0.6	0.6
Adult Education Funding	142.7	142.7	142.8	142.8	142.9	143.0
Share of Business Rates	9.0	10.5	12.0	13.5	15.0	16.5
Constituent Membership	4.6	4.6	4.6	4.6	4.6	4.6
Non Constituent Members	0.4	0.4	0.4	0.4	0.4	0.4
Investment Programme	36.5	36.5	36.5	36.5	36.5	36.5
Investment Income	0.9	0.9	0.9	0.9	0.9	0.9
Use of Reserves	9.5	3.6	-	-	-	-
Mayoral Precept	-	-	-	-	7.9	7.9
<b>Total Funding</b>	<b>333.2</b>	<b>341.8</b>	<b>317.3</b>	<b>317.4</b>	<b>325.9</b>	<b>327.5</b>
Transport for West Midlands	119.4	124.6	131.1	135.8	145.0	147.6
Commonwealth Games	5.4	20.7	-	-	-	-
Economy & Innovation	3.4	3.3	4.7	4.8	4.9	4.9
Environment, Energy & HS2	0.6	2.3	1.4	0.7	0.7	0.7
Housing and Land	1.4	1.4	1.5	1.5	1.6	1.6
Wellbeing	1.5	1.7	1.6	1.7	1.7	1.8
PSR & Social Economy	1.6	2.5	2.9	2.9	3.0	3.0
Culture and Digital	0.2	0.4	0.2	0.2	0.2	0.2
Productivity & Skills	147.6	145.5	148.0	148.0	148.2	148.3
Inclusive Communities	0.1	0.1	0.1	0.1	0.1	0.1
Business Support	2.1	2.7	(1.0)	(0.9)	(1.0)	(1.0)
Investment Programme	45.6	36.6	48.6	50.1	58.6	60.1
Mayoral Office	0.8	-	-	0.1	0.9	0.9
Mayoral Election	3.6	-	-	4.5	1.5	1.5
Enabling Services	-	-	1.3	1.6	5.3	2.7
<b>Total Expenditure</b>	<b>333.2</b>	<b>341.8</b>	<b>340.4</b>	<b>351.1</b>	<b>370.6</b>	<b>372.5</b>
<b>Net Expenditure</b>	<b>-</b>	<b>-</b>	<b>(23.1)</b>	<b>(33.7)</b>	<b>(44.7)</b>	<b>(45.0)</b>
Net Expenditure Analysed as:						
Transport	-	-	(14.1)	(18.7)	(27.9)	(30.5)
Delivery	-	-	(7.7)	(8.8)	(9.9)	(10.3)
Investment Programme	-	-	-	-	-	-
Mayoral Office	-	-	-	(4.6)	(1.5)	(1.5)
Enabling Services	-	-	(1.3)	(1.6)	(5.3)	(2.7)
<b>Total Surplus / (Deficit)</b>	<b>-</b>	<b>-</b>	<b>(23.1)</b>	<b>(33.7)</b>	<b>(44.6)</b>	<b>(45.0)</b>

- 3.3. The MTFP assumes a 2.0% increased funding requirement from Constituent Authorities in respect of the Transport Levy compared to 21/22, which will generate an extra £2.3m to support Transport operations annually.
- 3.4. These assumptions create increasing financial pressure on WMCA's Budget, notably in Transport which accounts for £30.5m of the £45.0m gap in 2026/27.

3.5. To arrive at a balanced position for 2022/23, WMCA has consulted extensively with Constituent Authorities throughout 2021 to identify and consider options, recognising that Constituent Authorities are also facing significant budget pressures and funding challenges which do not allow them to significantly increase their contributions. The agreed funding solution is therefore a blended approach of;

- A 2.0% increased funding requirement from Constituent Authorities in respect of Transport Levy compared to 21/22, which will generate an extra £2.3m to support Transport operations annually.
- The re-purposing of WMCA's share of 2022/23 Business Rate Retention income, totalling £10.5m, of which £4.5m will be used to support Transport operations, and £6.0m will be used to support WMCA's Non-Transport functions.
- A one-off use of £3.6m of existing reserves to close the remaining gap on Transport operations.

#### 4.0 Draft 2021/22 Consolidated Revenue Budget

4.1. The Draft 2022/23 Consolidated Revenue Budget is presented below;

**Table 2 - Consolidated Draft Revenue Budget 2022/23**

	Total	Transport	Non-Transport Portfolios	Investment Programme	Mayors Office
	£m	£m	£m	£m	£m
Transport Levy	117.0	117.0	-	-	-
Devolution Deal Grant (IP)	36.5	-	-	36.5	-
Devolution Deal Grants - Other	7.6	-	6.7	-	0.8
Adult Education Funding	142.7	-	142.7	-	-
Share of Business Rates	10.5	4.5	6.0	-	-
Grants from Constituent Members	4.6	-	4.6	-	-
Grants from Non Constituent Members	0.5	-	0.5	-	-
Investment Income	0.9	-	0.8	0.1	-
Third Party Income	0.5	-	0.5	-	-
Commonwealth Games	18.7	18.7	-	-	-
Use of Reserves	3.6	3.6	-	-	-
<b>Total Income</b>	<b>343.1</b>	<b>143.7</b>	<b>161.9</b>	<b>36.6</b>	<b>0.8</b>
Transport Delivery	125.0	125.0	-	-	-
Commonwealth Games	18.7	18.7	-	-	-
Delivery Programmes	161.9	-	161.9	-	-
Investment Programme	36.6	-	-	36.6	-
Mayoral Office	0.8	-	-	-	0.8
<b>Total Expenditure</b>	<b>343.1</b>	<b>143.7</b>	<b>161.9</b>	<b>36.6</b>	<b>0.8</b>
<b>Net Expenditure</b>	-	-	-	-	-
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	-	-

- 4.2. In addition to this funding solution, a series of mitigating actions have been agreed between WMCA and Constituent Authorities – these are detailed in Sections 5 and 6. It is acknowledged that the agreed funding solution closes the gap for 2022/23 but leaves significant pressures from 2023/24 onwards. WMCA have already committed to working with Constituent Authorities throughout 2022 to develop a longer-term, sustainable budget and plan, building on the work to develop the 2022/23 Aims and Objectives. Initial recommendations will be reported to Leaders in May 2022, and this will include an updated view of WMCA’s MTFP and the options open to the Authority to reduce the gap.
- 4.3. As previously referenced, the proposed Transport Levy is £117.0m, an increase of 2.0% from 2021/22, allocated to Constituent Members based on statutory populations. Constituent Member contributions are proposed to be held at £4.6m, £2.9m of which is split equally between members, the remaining £1.7m is split based on statutory populations.

**Table 3 - West Midlands Combined Authority Levy & Constituent Members Contributions**

<b>Allocations</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>Net Change</b>
Birmingham	45.8	46.5	(0.7)
Coventry	15.2	15.7	(0.6)
Dudley	13.2	13.4	(0.2)
Sandwell	13.5	13.7	(0.2)
Solihull	9.0	9.2	(0.2)
Walsall	11.8	12.0	(0.3)
Wolverhampton	10.9	11.1	(0.2)
<b>Total</b>	<b>119.4</b>	<b>121.7</b>	<b>(2.3)</b>

- 4.4. Non-constituent Member and Observer Fees are proposed to increase from £25,000 to £30,000 per Authority from 1 April 2022 with a further £5,000 increase to £35,000 assumed for planning purposes in 2023/24. These fees have been flat since they were first introduced in 2016/17 and remain subject to review over the medium term.

**Table 4 - Non-Constituent Member and Observer Fees**

<b>Non-Constituent Member Allocations</b>	<b>2022/23 £</b>
<b>Non-Constituent</b>	
Cannock Chase District Council	30,000
North Warwickshire Borough Council	30,000
Nuneaton and Bedworth Borough Council	30,000
Redditch Borough Council	30,000
Rugby Borough Council	30,000
Shropshire Council	30,000
Stratford-on-Avon District Council	30,000
Tamworth Borough Council	30,000
Telford and Wrekin Council	30,000
Warwickshire County Council	30,000
Black Country LEP	30,000
Greater Birmingham and Solihull	30,000

Coventry & Warwickshire LEP	30,000
<b>Observers</b>	
The Marches LEP	30,000
Fire partner contribution	30,000
Police partner contribution	30,000
Warwick District Council	30,000
<b>Total</b>	<b>510,000</b>

4.5. The contributions from the Non-Constituent authorities reflect their ability to access regeneration funds as well as wider benefits delivered by WMCA:

- Delivering Productivity and Skills initiatives including specialised higher technical training and directing Adult Education Budget in line with regional priorities
- Enabling cross-organisation and cross partner working to build economic resilience in the West Midlands
- Lead on Digital platforms such as deployment of c.£100m to support 5G mobile network within the region
- Coordinated Housing and Land investments such as brownfield land development and town centre regeneration programmes
- Ongoing work on Environmental strategy, notably WM2041

4.6. Non-Constituent authorities are currently able to able to access the WMCA loan funds (CIF and RIF totalling £210m), Brownfield Land and Property Development Fund (BLPDF) (grants up to £50m) and devolved Housing grants (totalling £208m) from government. This allows for significant opportunity for increased housing, regenerated brownfield land, economic growth and jobs, alongside increased business rates and investment into awarded areas.

With respect to the £10.5m Business Rates retention income assumption within the Budget (and presented within Table 2), this value is consistent with the principles agreed to date. This will be allocated to the Revenue Budget, underpinning both Transport and Non-Transport expenditure. As such, the WMCA Investment Programme affordable limit will remain capped at £871m. WMCA recognise the impact Covid-19 has had on Business Rates in each of its Constituent Authorities, and so as in previous years this income would not be allocated within the Investment Programme modelling until the WM Finance Director group confirmed the collectability of this income over the future 25 years. WMCA continues to work with HMG officials to secure a solution to the future retention of business rates in the region.

## 5.0 Draft 2022/23 Transport for West Midlands Revenue Budget

5.1. A detailed analysis of the 2022/23 TfWM Budget and Activity is included within Appendix 1, a summary position for the period 2021/22 to 2026/27 is included below:



**Table 5 - Summary Transport Revenue Budget 2021/22 to 2026/27**

Transport 5 Year Position	2021/2022		2022/2023		2023/2024		2024/2025		2025/2026		2026/2027	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
English National Concessions Travel Scheme	50.5	40.4%	47.8	33.3%	50.4	38.5%	52.6	38.7%	55.2	38.1%	57.5	38.9%
Capital Financing	8.9	7.1%	9.6	6.7%	9.9	7.5%	9.9	7.3%	12.7	8.8%	12.0	8.1%
TfWM Policies	52.2	41.8%	60.7	42.2%	59.8	45.6%	61.6	45.4%	64.0	44.2%	65.4	44.3%
Strategic Development	3.9	3.1%	4.2	2.9%	4.5	3.5%	4.7	3.4%	5.0	3.5%	5.1	3.4%
Business Support & Elected Members	3.9	3.2%	2.7	1.9%	6.5	5.0%	7.0	5.2%	8.0	5.5%	7.6	5.2%
Commonwealth Games	5.4	4.3%	18.7	13.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
<b>Total Expenditure</b>	<b>124.8</b>	<b>100.0%</b>	<b>143.8</b>	<b>100.0%</b>	<b>131.1</b>	<b>100.0%</b>	<b>135.8</b>	<b>100.0%</b>	<b>145.0</b>	<b>100.0%</b>	<b>147.6</b>	<b>100.0%</b>
Use of Reserves	4.7		3.6		0.0		0.0		0.0		0.0	
Business Rates Growth	0.0		4.5		0.0		0.0		0.0		0.0	
Commonwealth Games	5.4		18.7		0.0		0.0		0.0		0.0	
Proposed Levy	114.7		117.0		117.0		117.0		117.0		117.0	
<b>Total Funding</b>	<b>124.8</b>		<b>143.8</b>		<b>117.0</b>		<b>117.0</b>		<b>117.0</b>		<b>117.0</b>	

- 5.2. No changes to WMCA Transport policies are proposed for 2022/23, and any such proposal would be subject to full public consultation. As previously noted, WMCA has committed to developing a longer-term, sustainable budget and plan with Constituent Members during 2022. This work must include a full review of all WMCA Transport policies as part of developing a sustainable funding route for operation of the Transport network.
- 5.3. The Bus network continues to come under sustained pressure. Rising fuel costs and labour shortages coupled with uncertainty around patronage recovery are making network operation increasingly challenging. It is imperative that the network remains stable for the day-to-day needs of the region's residents as well as the increased visitor levels expected for the 2022 Commonwealth Games.
- 5.4. The network is currently operating at 96% of pre-Covid-19 levels but it has been sustained since March 2020 by substantial HMG financial support directly to operators. The national Bus Services Improvement Plan (BSIP) funding of £3bn has been reduced to £1.2bn for 2022/23 (with capital costs now required to be integrated into the CRSTS funding), causing unease in the commercial market. The WMCA BSIP request was for £1.1bn alone, as detailed in the report presented to WMCA Board in September 2021. The funding announcement is expected in early 2022 and an update will be provided to WMCA Board.
- 5.5. The 2022/23 budget includes an uplift on the 2021/22 subsidised bus service budget reflecting market pressures, some of which will also impact 2021/22. It does not, however, include assumptions (nor is there sufficient financial capacity within identifiable WMCA resources) to support significant commercial de-registrations.
- 5.6. In March 2021, WMCA Board did set aside £10m of Investment Programme funding to protect against such risk. This remains in place to provide some resilience. However, it is a finite amount so the need for long term transformational change, as set out in the National Bus Strategy, is required to ensure that the future state is financially sustainable.
- 5.7. WMCA continues to proactively manage these risks through discussions with both HMG and operators. The bus delivery options paper that is also presented at this meeting sets out the mitigating actions and the proposed pathway to developing them. These will be factored into development of WMCA's longer term, sustainable budget and plan throughout 2022.

- 5.8. The 2022/23 Transport Budget will be supported by £4.5m of Business Rates Retention income.
- 5.9. The Transport Budget will also be supported by the key assumption that all Metro Lifecycle costs for 2022/23 will be met within existing resources or will be allocated funding from WMCA's CRSTS settlement. This action supports the Budget to the value of £5.3m.
- 5.10. In addition to the underlying TfWM Budget detailed above, £18.7m of funding will be utilised in the year as part of delivering the 2022 Commonwealth Games. All WMCA-delivered schemes for the 2022 Commonwealth Games, including Perry Barr and University station improvements, are scheduled to be completed ahead of the Games starting in July 2022.

## 6.0 Draft 2021/22 Delivery Revenue Budget (Non-Transport)

- 6.1. Detailed analysis of the WMCA Delivery Budget is included within Appendix 2 and 3, a summary position for the period 2021/22 to 2026/27 is included below:

**Table 6 - Summary WMCA Non-Transport Budget 2020/21 to 2025/26**

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	£m	£m	£m	£m	£m	£m
Constituent Members	4.6	4.6	4.6	4.6	4.6	4.6
Non-Constituent Members	0.4	0.5	0.6	0.6	0.6	0.6
Investment Income	0.8	0.8	0.8	0.8	0.8	0.8
Adult Education Budget	142.7	142.7	142.8	142.8	142.9	143.0
Devolution Funding	8.6	6.7	2.4	1.3	1.4	1.4
Other Income	0.0	0.5	0.5	0.5	0.5	0.5
Business Rates Growth	0.0	6.0	0.0	0.0	0.0	0.0
Use of Reserves	1.2	0.0	0.0	0.0	0.0	0.0
<b>Total Funding</b>	<b>158.3</b>	<b>161.9</b>	<b>151.7</b>	<b>150.7</b>	<b>150.9</b>	<b>150.9</b>
Productivity and Skills	147.6	148.1	145.2	145.3	145.5	145.6
Housing & Land	1.4	1.5	1.4	1.8	2.9	2.9
Economy & Innovation	3.4	3.2	4.5	4.6	4.6	4.7
Culture & Digital	0.2	0.4	0.4	0.4	0.4	0.4
Wellbeing	1.5	1.2	1.9	1.9	2.0	2.0
PSR & Social Economy	1.6	2.7	0.7	0.8	0.8	0.8
Environment, Energy & HS2	0.6	1.8	2.7	2.0	2.0	2.0
Inclusive Communities	0.1	0.2	0.1	0.1	0.1	0.1
Leadership & Business Support	2.1	2.7	2.4	2.5	2.4	2.4
<b>Total Expenditure</b>	<b>158.3</b>	<b>161.9</b>	<b>159.2</b>	<b>159.4</b>	<b>160.6</b>	<b>161.0</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>-7.6</b>	<b>-8.7</b>	<b>-9.8</b>	<b>-10.1</b>

- 6.2. The WMCA Delivery Budget is primarily funded through Adult Education Grants, Constituent and Non-Constituent Member Fees and Observer Fees. It is further supported by other Devolution Deal grants and returns on cash investments.

- 6.3. From 2019/20, WMCA has had responsibility for the region's Adult Education Budget and its delivery. The total funding for 2022/23 Adult Education will not be announced until early 2022, however it is expected to be in line with 2021/22. An update will be provided in due course to WMCA Board.
- 6.4. As previously referenced, the 2022/23 WMCA Delivery Budget will also be supported by £6.0m of Business Rates retention income
- 6.5. Work will continue throughout 2022/23 as part of WMCA's Business Transformation Programme in order to identify and realise efficiencies. Any efficiencies identified will be reserved by WMCA's Finance Director in order to guard against any pressures which emerge during 2022/23. The overall budget targets a total of £3.3m in business efficiencies to March 2023.

## **7.0 Mayor's Budget and Precept**

- 7.1. The MTFP currently includes no Mayoral Precept commitment until 2025/26 following the 2024 Mayoral Election. The decision not to raise a Precept in 2022/23 has been discussed and agreed with Constituent Members. It is proposed that the 2022/23 Mayor's Office £0.8m Budget is funded from a one-year extension to the Mayoral Capacity Funding which has now been confirmed by DLUHC.
- 7.2. The Mayor's Budget for 2022/23 is £0.8m and includes the staffing costs of the Mayor, the senior team, support staff, policy advisors as well as resources to deliver communications, customer response and events.
- 7.3. The Mayor must notify the WMCA of his Draft 2022/23 Budget before 1 February 2022 and this report represents that notification. The WMCA must review the Mayor's Budget and may make a report on it to the Mayor setting out whether they would approve it in its current form and may include recommendations. This must take place before 8 February 2022 otherwise the Mayor's Budget will be deemed approved.
- 7.4. If the WMCA makes a report, then the Mayor must have at least 5 working days to respond and can either make the requested changes or not. The WMCA must then decide whether to accept the original (or revised) Budget or veto it and approve the Budget with their requested amendments. Decisions of the WMCA are by a 2/3rds majority for setting of the Mayoral Budget.
- 7.5. The 2011 Localism Act gives local communities the power to approve or veto excessive rises in Council Tax. Central government guidance on excessive increases in Council Tax will not apply to WMCA in 2022/23, given that no precept is proposed.

## 8.0 West Midlands Combined Authority Medium Term Capital Programme

8.1. The West Midlands Combined Authority Capital Programme is summarised in the table overleaf and is set out in further detail within Appendices 4 to 6. The table overleaf summarises the current planned capital investment between 2021/22 and 2025/26. This position represents the latest 2021/22 reforecast, the final 2022/23 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2022/23 following confirmation of the 2021/22 outturn position. It should also be noted that this view does not include any allocation of the recently awarded CRSTS funding – the proposed allocation of this funding is subject to a separate paper to WMCA Board at this meeting. An updated view will be presented as part of the 2022/23 Final Budget report, presented to WMCA Board in February 2022.

**Table 7: Summary West Midlands Combined Authority Capital Programme**

WMCA CAPITAL PROGRAMME (£M)		Appendix	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	TOTAL
Expenditure	TfWM Expenditure	4	344.5	379.6	291.9	119.2	117.3	1,252.5
	Housing and Regeneration Expenditure	5	36.8	89.6	100.9	55.0	34.9	317.2
	Other Programmes		3.1	1.2	-	-	-	4.3
	Investment Programme Grants to Local Authorities	6	104.7	65.7	194.4	139.3	360.1	864.2
<b>TOTAL EXPENDITURE</b>			<b>489.1</b>	<b>536.1</b>	<b>587.2</b>	<b>313.5</b>	<b>512.3</b>	<b>2,438.2</b>
Funding	Investment Programme Debt		158.0	197.1	134.5	3.3	17.6	510.5
	TfWM Debt		12.9	5.7	142.1	49.5	2.4	212.6
	Grants		318.2	333.3	92.9	38.2	12.2	794.8
	Other		-	-	217.7	222.5	480.1	920.3
<b>TOTAL FUNDING</b>			<b>489.1</b>	<b>536.1</b>	<b>587.2</b>	<b>313.5</b>	<b>512.3</b>	<b>2,438.2</b>

8.2. Approximately 50% of the Combined Authority's planned capital investment to 2025/26 consists of expenditure incurred by Transport for West Midlands in pursuance of the Investment Programme, Transforming Cities Programme and the Minor Works Programme. Of the remainder, broadly 70% is concerned with the reimbursement of Local Authorities as part of the West Midlands Investment Programme and 25% will be spent in delivering the Housing and Regeneration objectives using funds secured by WMCA from Central Government.

8.3. Those larger Transport for West Midlands Programmes contain significant investment in expanding the Metro networks in addition to investment in developing and delivering new local Rail stations in Birmingham and the Black Country. The Transport programme reflects the second phase of the Transforming Cities Programme, and in 2022/23 includes the completion of all WMCA delivered assets for the 2022 Commonwealth Games, namely University and Perry Barr rail station improvements and A34 / A45 Sprint highways.

8.4. The Housing Capital Programme includes the land remediation programmes launched by the WMCA in 2016 and delivery against the Land Fund arrangements which now total £208m.

8.5. The Investment Programme Grants to Local Authorities Programme includes grants payable under the original Investment Programme in 2016. This includes significant investment in Coventry (Station Masterplan, City Centre Regeneration), Solihull for the UK Central Programme and Birmingham (Commonwealth Games).

- 8.6. In addition to the traditional capital investment detailed above, WMCA will continue to operate the commercial and residential investment funds where loans to developers are made with the objective of unlocking stalled development sites which traditional lenders are unwilling to finance. The loans are held on the WMCA balance sheet under standard accounting regulations and as at 1 December 2021, the cumulative value of loan commitments approved by WMCA totals £156.1m (including £48.0m of loans which have since been repaid). The value of loans drawn and earning interest as at 1 December 2021 is £28.3m.
- 8.7. The funding for the capital programme is supported mostly by project specific grants or borrowing, where the revenues to support the costs of the debt and interest are underpinned by Investment Programme income or expected passenger revenues obtained from the Metro network.
- 8.8. The full extent of the Investment Programme and 2016 Devolution Deal schemes remain as provisional commitments within the overall programme, even though the funding to underpin elements of the investment currently remains unsecure. Work with the Mayor, Constituent Member Leaders and the WMCA Finance Directors will continue into 2022 to enable the gaps to be closed and no expenditure will be committed without first having a clearly available funding source.

## **9.0 Investment Programme**

- 9.1. The WMCA Investment Programme was a product of the first devolution deal in 2016 and was designed to devolve more accountability, funding and powers out to the regions. From an expenditure perspective, the Investment Programme is an £8bn (gross) package of measures for the region containing projects centred around key economic prosperity drivers such as HS2, city centre regeneration and the remediation of brownfield sites.
- 9.2. From a programme perspective, £2bn of the overall £8bn was to be funded by WMCA generating locally sourced income to support borrowing which in turn could be used to accelerate the development.
- 9.3. Government agreed to provide a gainshare grant of £36.5m per year for 30 years, subject to a five yearly gateway review. The first gateway review occurred during 2020/21 and WMCA worked closely with consultants appointed by MHCLG (subsequently renamed as DLUHC) to undertake the review. WMCA received positive feedback and confirmation that the gateway review had been successful was received in May 2021. As such, £36.5m of income to support the Investment Programme is now expected for the next four financial years.
- 9.4. The current affordable Investment programme approved by the WMCA Board is investment of £871m across the region.

## 10.0 Budget Calculation

- 10.1. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer, in this case, the Finance Director, as Section 151 Officer, to report to the West Midlands Combined Authority when it is setting the budget and the precept. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 10.2. The budget currently provides for the financial implications of the West Midlands Combined Authority's policies to the extent that these are known or can reasonably be assessed. However, there are risks which are beyond the West Midlands Combined Authority's control and for which it is not possible to be precise:
  - The West Midlands Combined Authority's demand-led services
  - Economic and community recovery from ongoing Covid-19 pandemic
  - Economic impact of Brexit
  - Inflation and interest rate volatility
  - West Midlands Pension Fund Investment Performance
  - Unforeseen emergencies
- 10.3. The existing General Reserve Balance is £2.3 million. This balance represents only 1.9% of the aggregate proposed 2022/23 Constituent Authority contributions.
- 10.4. Whilst the appropriate level of general fund reserves is a matter for judgement by the Finance Director (Section 151 Officer) it is generally accepted for general fund reserves to be between 3% and 5% of expenditure. The proposed balance is below this recommended level, however WMCA does carry earmarked reserves in order to ensure that existing commitments can be delivered. It is also noted that it would not be appropriate for WMCA to sit on extensive general reserves whilst Constituent Members face funding challenges of their own.
- 10.5. WMCA is obliged to ensure that all resources are applied in a way which secure the best value for the region, and to continually review its performance and financial position.
- 10.6. These obligations are addressed through an annual review of the MTFP, culminating in the Draft and Final Budget reports presented to WMCA Board in January and February respectively. WMCA Board also receive the latest available financial position at each Board meeting throughout the year, with additional papers presented to seek approval for significant investments or revisions to Budget.
- 10.7. Whilst no Budget is risk-free, WMCA does still have opportunities to improve its financial position:
  - Reducing all Capital Financing costs through accessing best value financing available, including the Public Works Loans Board and UK Infrastructure Bank; and
  - Optimising returns on all cash investments, continually reviewing the market for additional funds to invest in which meet WMCA's Treasury Management Strategy guidelines.
- 10.8. The Finance Director states that to the best of her knowledge and belief the 2022/23 Draft Budget calculations are robust and have full regard to:

- The expected financial position as at the end of 2021/22
- The Transport Revenue Budget as set out in Appendix 1
- The Non-Transport Revenue Budget as set out in Appendix 2
- The Transport Capital Programme as set out in Appendix 4
- The Housing Capital Programme as set out in Appendix 5
- The Investment Programme as set out in Appendix 6
- The strength of WMCA's financial control procedures including audit considerations
- The extent of WMCA's General and Earmarked reserves.
- The policies of Her Majesty's Government as they impact upon WMCA

## **11.0 Scrutiny of the budget proposals**

A Mayoral Budget Q&A session was held in public on 15 December 2021. Members of WMCA's Overview and Scrutiny committee questioned the Mayor and the Portfolio Lead for Finance, Councillor Bob Sleight, on the development of the 2022/23 Budget and the ongoing sustainability of WMCA. Further questions were asked on Transport policy, Social Housing, Skills training and WM2041.

- 11.1. The matters identified that arose out of the Mayoral Q&A on 15 December 2021 are set out in Appendix 7 along with the recommendation that these matters be considered further by the WMCA Board.

## **12.0 Legal Implications**

- 12.1. Under powers granted by the Combined Authorities (Finance) Order 2017, Elected Mayors may raise a precept on Constituent Authorities Council Tax bills under section 107G of the Local Democracy Economic Development and Construction Act 2009. A Mayoral Precept may only be issued in relation to the costs of the Mayor or of discharging Mayoral Functions. The Mayoral functions are set out in Article 22 of the West Midlands Combined Authority (functions and amendments) Order 2017. There are powers for the Mayor to engage in highway management activity, works permit schemes, road safety measures and road traffic reduction activity amongst others. The Order also gives the Mayor a functional power of competence to do anything that is associated, incidental or connected with those powers in order to undertake those activities.
- 12.2. As the Mayor did not include setting a precept as part of his 2021 Election Manifesto, the funding of budget proposals in respect of Mayoral functions is expected to be met from alternative funding sources until 2025/26 at the earliest.
- 12.3. As a public authority which has the power to levy for transport functions and to raise a precept, WMCA must set a budget every year which is agreed through its formal decision-making processes. This report outlines the legal and governance processes that need to be completed including consideration by Overview and Scrutiny Committee and the WMCA Board.

### **13.0 Equalities Implications**

- 13.1. There is no direct equality impact in relation to the 2022/23 Budget proposals as funding has been maintained and service provision is not affected. However, there are increased risks and financial uncertainties due to Brexit and Covid-19, which may result in an increase in revenue requirements, with transport services more likely to be affected.
- 13.2. A number of mitigating measures have been considered as part of Budget planning which should help mitigate any negative impact, but the scale of change may result in the need for additional considerations in relation to assisted travel policies. The protected characteristics most likely to be affected are those on lower incomes with fewer economic resources who are more reliant on public transport. This would include young people, women, single parents, people from lower socio-economic groups, ethnic minorities and disabled people.
- 13.3. Future policy options would need to undergo in-depth equality impact assessments and engagement/consultation with affected groups to ensure negative impact is mitigated as far as practically possible.

### **14.0 Inclusive Growth Implications**

- 14.1. West Midlands Combined Authority will continue to have due regard to proactively delivering inclusive growth in the West Midlands region. The budget proposals contained in this report reflect that commitment.

### **15.0 Geographical Area of Report's Implications**

- 15.1. The Budget proposals encompass the West Midlands region.

### **16.0 Appendices**

Appendix 1 – Transport Delivery Revenue Budget

Appendix 2 – WMCA Delivery Budget (Non-Transport)

Appendix 3 – Activity for 2022/23

Appendix 4 – Transport Capital Programme

Appendix 5 – Housing & Other Capital Programme

Appendix 6 – Investment Programme Capital Grants to Local Authorities

Appendix 7 – Mayoral Q&A - Budget 2022/23



## Proposed Transport Revenue Budget

TRANSPORT FOR WEST MIDLANDS	2021/22 BUDGET £000	2022/23 BUDGET £000	2023/24 BUDGET £000	2024/25 BUDGET £000	2025/26 BUDGET £000	2026/27 BUDGET £000
<b>INCOME</b>						
Transport Levy	114,720	117,015	117,015	117,015	117,015	117,015
Commonwealth Games Grant	5,423	18,691				
Business Rates Growth		4,468				
Use of Reserves	4,695	3,564				
<b>TOTAL INCOME</b>	<b>124,838</b>	<b>143,738</b>	<b>117,015</b>	<b>117,015</b>	<b>117,015</b>	<b>117,015</b>
<b>EXPENDITURE</b>						
<b>Concessions</b>						
National Bus Concession	50,472	47,878	50,429	52,605	55,161	57,471
Metro / Rail	4,572	4,576	4,583	4,675	4,796	4,923
Child Concession	7,029	6,710	6,885	7,093	7,340	7,631
	62,073	59,164	61,897	64,373	67,298	70,025
<b>Bus Services</b>						
Bus Stations / Infrastructure	5,152	5,680	5,572	5,856	6,582	6,769
Subsidised Network	11,478	13,420	14,255	15,143	15,301	15,656
Accessible Transport	6,637	6,685	6,639	6,639	6,640	6,641
	23,267	25,786	26,466	27,638	28,523	29,066
<b>Rail and Metro Services</b>						
Metro Services	2,579	6,077	7,113	7,048	6,942	6,969
Rail Services	2,904	4,125	3,118	3,210	3,413	3,482
	5,483	10,202	10,231	10,258	10,355	10,451
<b>Integration</b>						
Safety and Security	1,274	1,288	1,384	1,444	1,559	1,608
Passenger Information	6,007	6,817	6,272	6,447	7,070	7,140
Sustainable Travel	1,401	756	719	737	809	813
	8,682	8,861	8,375	8,627	9,438	9,561
Network Resilience	3,181	3,772	3,222	3,311	3,565	3,616
Commonwealth Games	5,423	18,691				
Business Support and Democratic Services	3,809	3,061	6,357	6,870	7,872	7,618
Strategic Development	3,915	4,447	4,535	4,662	5,010	5,087
Transport Governance	131	135	140	144	148	153
Capital Finance Charges	8,874	9,619	9,857	9,876	12,744	11,990
<b>TOTAL EXPENDITURE</b>	<b>124,838</b>	<b>143,738</b>	<b>131,079</b>	<b>135,760</b>	<b>144,954</b>	<b>147,567</b>
<b>NET</b>	<b>0</b>	<b>0</b>	<b>(14,065)</b>	<b>(18,745)</b>	<b>(27,939)</b>	<b>(30,553)</b>

### **ENCTS (National Bus Concession) £47.9m**

- Free Travel for all entitled to national pass from 9.30am to 11pm
- Reimbursement regulated by Secretary of State with guidance provided by DfT
- Current discretionary scheme extension 11pm to last bus

### **Child Concessions £6.7m**

- Half fare travel
- Children 5-15 Years
- Young adults in education 16-18 Years
- Apprentices and Trainees 16-18 Years Weekdays before 9.30 am & between 15.00 & 18.00 Hrs

### **Rail and Metro Concessions £4.6m**

- Extensions of national bus scheme to rail and metro
- After 9.30pm to midnight weekdays, all day weekends and bank holidays
- Rail estimated 4.6m trips per annum (pre-Covid-19)
- Metro approx. 1.0m trips per annum (pre-Covid-19)

### **Subsidised services £13.4m**

- Policy criteria -Minimum 8 passengers per journey
- The current VFM Thresholds are £2.16 for tendered contract and £1.80 for de minimis contracts
- Access criteria 400m (7am -7pm) 700m (all other times)

### **Accessible Transport £6.7m**

- Ring & Ride service operated by National Express Accessible Transport.

### **Passenger information £6.8m**

- Real time information across the network
- Customer information is a focus in all formats: at bus stops, shelters, bus stations & online
- Travel Information Centres
- We continue to provide and invest in customer service teams and telephone support

### **Bus Stations/Infrastructure £5.7m**

- Management and Maintenance of 12 Bus stations, circa 12,000 stops and shelters
- Infrastructure Costs –cleaning, repairs, rates, CCTV, Electricity, routine maintenance
- Bus policy development options (taking forward the 'Vision for Bus')

### **Rail Services £4.1m**

- Provision, management, on-going maintenance and operation of 41 Park and Ride sites, circa 9,000 spaces
- Delivery of TfWM Rail responsibilities including Rail Partnerships and industry engagement
- WMCA contribution to WMR Limited (a consortium of 16 local authorities) which has co-responsibilities with the DfT for managing the West Midlands Rail franchise

### **Metro Services £6.1m**

- Subsidy and franchise assumptions continue to be reviewed in light of COVID-19

### **Safety and security £1.3m**

- Safer Travel police team, CCTV at Bus & Rail Stations including interchanges, CCTV control Centre

**Business & Democratic Support £3.1m**

- This covers the transport related element of support and overhead costs attributable to 16 Summer Lane, ICT, Legal, Procurement, Health & Safety, Equalities, Programme Management, Finance, Human Resources, & general business infrastructure & support

**Strategic Development £4.4m**

- Transport Team delivering plans for devolution, strategic economic plan proposals, developing business cases and related policy and strategy development.

**Capital Finance Charges £9.6m**

- Loan interest on existing loan book and anticipated future borrowing
- Past Pension costs and deficit funding arrangements

**Network Resilience £3.8m**

- Resource to work on managing congestion and mitigating impact of the wider transport investment programme
- Resource to assist in embedding the Key Route Network as part of an integrated transport system to support economic performance and keep people safe and well informed
- Costs associated with operating the RTCC (Regional Transport Coordination Centre)
- To deliver both agreed and emerging policies (e.g. Congestion Management Plan, Highways Investment Plan, Regional Road Safety Strategy)

**Sustainable Travel £0.8m**

- This represents the costs of Sustainable travel work within TfWM including the West Midlands Cycle charter, oversight of cycling strategy and investment across the West Midlands and delivery of the West Midlands Bike Hire project.

**Transport Governance £0.1m**

- This represents the cost of elected members related to the responsibilities of the Transport Delivery Committee

**Commonwealth Games £18.7m**

- All costs are funded from grant income
- This does not include the cost of infrastructure legacy projects which are included in the capital programme

**Proposed West Midlands Combined Authority Delivery Budget (Non-Transport)**

**Annex A** – Productivity and Skills Portfolio

**Annex B** – Housing and Land Portfolio

**Annex C** – Economy & Innovation Portfolio

**Annex D** – Culture and Digital Portfolio

**Annex E** – Wellbeing Portfolio

**Annex F** – Public Service Reform and Social Economy Portfolio

**Annex G** – Environment, Energy and HS2 Portfolio

**Annex H** – Inclusive Communities Portfolio

**Annex I** – Leadership & Corporate Support

**Productivity and Skills Portfolio**

Productivity and Skills	2021/22 Budget £	2022/23 Budget £	Movement
Use of Reserves	-	90,000	90,000
Grants	145,954,700	145,267,360	(687,340)
Governance Income	308,419	298,411	(10,008)
<b>Total Income</b>	<b>146,263,118</b>	<b>145,655,771</b>	<b>(607,348)</b>
Staff Costs	2,526,103	3,395,868	(869,764)
Training & Development	143,885,342	143,262,052	623,290
Promotions, Information and Initiatives	129,250	122,947	6,303
External Advice	775,115	1,088,629	(313,514)
Travel & Subsistence	21,000	17,012	3,989
Direct Recharges	62,008	65,698	(3,690)
Indirect Recharges	200,000	200,000	(0)
<b>Total Expenditure</b>	<b>147,598,819</b>	<b>148,152,205</b>	<b>(553,387)</b>
<b>Net Expenditure</b>	<b>1,335,700</b>	<b>2,496,435</b>	<b>(1,160,735)</b>

**Housing and Land Portfolio**

Housing and Land	2021/22 Budget £	2022/23 Budget £	Movement
Grants	1,400,352	1,454,688	54,336
<b>Total Income</b>	<b>1,400,352</b>	<b>1,454,688</b>	<b>54,336</b>
Staff Costs	1,451,495	1,630,515	(179,021)
External Advice	758,921	758,921	(0)
Travel & Subsistence	3,500	3,608	(108)
Direct Recharges	(813,563)	(938,357)	124,794
<b>Total Expenditure</b>	<b>1,400,352</b>	<b>1,454,688</b>	<b>(54,335)</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Economy & Innovation Portfolio**

<b>Economy and Innovation</b>	<b>2021/22 Budget £</b>	<b>2022/23 Budget £</b>	<b>Movement</b>
Grants	900,160	281,297	(618,864)
Governance Income	692,358	675,492	(16,865)
Use of Reserves	-	12,260	12,260
<b>Total Income</b>	<b>1,592,518</b>	<b>969,049</b>	<b>(623,469)</b>
Staff Costs	1,120,181	1,167,484	(47,302)
Promotions, Information and Initiatives	75,000	77,325	(2,325)
External Advice	1,181,043	967,151	213,892
Governance Expenditure	1,024,500	1,001,500	23,000
Direct Recharges	(29,752)	-	(29,752)
Indirect Recharges	10,000	-	10,000
<b>Total Expenditure</b>	<b>3,380,972</b>	<b>3,213,459</b>	<b>167,512</b>
<b>Net Expenditure</b>	<b>1,788,454</b>	<b>2,244,410</b>	<b>790,981</b>

**Culture and Digital Portfolio**

<b>Culture and Digital</b>	<b>2021/22 Budget £</b>	<b>2022/23 Budget £</b>	<b>Movement</b>
Staff Costs	59,505	77,606	(18,101)
External Advice	114,000	359,534	(245,534)
<b>Total Expenditure</b>	<b>173,505</b>	<b>437,140</b>	<b>(263,635)</b>
<b>Net Expenditure</b>	<b>173,505</b>	<b>437,140</b>	<b>(263,635)</b>

**Wellbeing Portfolio**

Wellbeing	2021/22 Budget £	2022/23 Budget £	Movement
Grants	665,452	256,840	(408,613)
Other Income	309,350	-	(309,350)
<b>Total Income</b>	<b>974,803</b>	<b>256,840</b>	<b>(717,963)</b>
Staff Costs	1,017,595	985,571	32,023
Promotions, Information and Initiatives	75,444	5,500	69,944
External Advice	243,000	236,099	6,901
Travel & Subsistence	5,328	600	4,728
Other	6,617	0	6,617
Direct Recharges	150,009	-	150,009
Indirect Recharges	4,000	-	4,000
<b>Total Expenditure</b>	<b>1,501,993</b>	<b>1,227,770</b>	<b>274,223</b>
<b>Net Expenditure</b>	<b>527,191</b>	<b>970,931</b>	<b>(443,740)</b>

**Public Service Reform & Social Economy Portfolio**

Public Service Reform & Social Economy	2021/22 Budget £	2022/23 Budget £	Movement
Grants	581,400	74,906	(506,494)
<b>Total Income</b>	<b>581,400</b>	<b>74,906</b>	<b>(506,494)</b>
Staff Costs	730,777	874,847	(144,069)
External Advice	324,000	334,044	(10,044)
Governance Expenditure	497,322	1,500,000	(1,002,678)
Indirect Recharges	11,400	-	11,400
<b>Total Expenditure</b>	<b>1,563,500</b>	<b>2,708,891</b>	<b>(1,145,391)</b>
<b>Net Expenditure</b>	<b>982,100</b>	<b>2,633,985</b>	<b>(638,897)</b>

**Environment, Energy and HS2 Portfolio**

<b>Environment and Energy, HS2</b>	<b>2021/22 Budget £</b>	<b>2022/23 Budget £</b>	<b>Movement</b>
Grants	146,814	-	146,814
Governance Income	93,000	950,529	(857,529)
<b>Total Income</b>	<b>239,814</b>	<b>950,529</b>	<b>(710,715)</b>
Staff Costs	406,116	1,121,191	(715,075)
External Advice	182,500	717,995	(535,495)
Travel & Subsistence	9,000	9,000	-
<b>Total Expenditure</b>	<b>597,616</b>	<b>1,848,186</b>	<b>(1,250,570)</b>
<b>Net Expenditure</b>	<b>357,802</b>	<b>897,657</b>	<b>(539,856)</b>

**Inclusive Communities Portfolio**

<b>Inclusive Communities</b>	<b>2021/22 Budget £</b>	<b>2022/23 Budget £</b>	<b>Movement</b>
Use of Reserves	-	13,000	(13,000)
<b>Total Income</b>	<b>-</b>	<b>13,000</b>	<b>(13,000)</b>
Staff Costs	-	116,267	(116,267)
External Advice	67,500	119,461	(51,961)
<b>Total Expenditure</b>	<b>67,500</b>	<b>235,727</b>	<b>(168,227)</b>
<b>Net Expenditure</b>	<b>67,500</b>	<b>222,727</b>	<b>(155,227)</b>



**Leadership & Corporate Support**

<b>Leadership and Business Support</b>	<b>2021/22 Budget £</b>	<b>2022/23 Budget £</b>	<b>Movement</b>
Indirect Recharges	2,729,292	2,729,292	(0)
<b>Total Expenditure</b>	<b>2,729,292</b>	<b>2,729,292</b>	<b>(0)</b>
<b>Net Expenditure</b>	<b>2,729,292</b>	<b>2,729,292</b>	<b>(0)</b>

## APPENDIX 3 – PROPOSED ACTIVITY FOR 2022/23

The following High Levels Deliverables for 2022/23 are currently proposed in order to support the WMCA Aims and Objectives as agreed at WMCA Board in November 2021. Work is still ongoing to finalise these ahead of inclusion in the Annual Business Plan to be presented to WMCA Board in March 2022.

**Aim 1 - To promote inclusive economic growth in every corner of the region and stimulate the creation of good jobs**

1.1	We will develop economic strategy for the region to drive inclusive growth, and deliver interventions with partners to boost innovation, secure investment, and support industrial clusters	Develop a broader regional economic policy to drive inclusive growth, co-ordination of policy & support the business taxation commission.
		Adoption, mobilisation and delivery of P4G and P4G implementation plans (cross cutting interventions) - to include influencing funding allocations
		Develop a strategic partnership with a tech firm to deliver a set of core deliverables on the digital economy.
		Deliver the Create Central business growth plan.
		Develop the standards, tools and practices for embedding and delivering inclusive growth including an online IG portal and IG business partners programme
1.2	We will work with partners to create the optimum conditions for businesses to grow, by ensuring they have the support needed to start up, scale up and succeed	Implement each of the 4 strands of the Social Enterprise Growth Strategy with a view to doubling the size of the sector in WM by 2030
		Deliver the WM Innovation Programme and Made Smarter West Midlands programme.
		Convene discussions with BEIS and partners to accelerate innovation programmes (or bodies) for the West Midlands.
1.3	We will invest in training and skills programmes that help our businesses grow and our citizens secure good jobs	Use available evidence to understand and respond to the labour market needs of the region
		Procure new AEB training to meet current and/or emerging skills needs - from August 2022 monitoring, managing and flexing provision as required
		Launch and communicate regional Level 3 training offer to WM residents and employers
1.4	We will work with local authorities to support the role of culture and sport in making the region a good place to live, work, visit and invest	Align cultural activity across the region through support for the Cultural Leadership Board (sector) and Cultural Officers Group (LA, LEP, WMGC).
		Develop proposals and support business cases to increase public investment in culture, particularly in areas where cultural activity is lower.
1.5	We will ensure public and private investment such as HS2 and the Commonwealth Games, create good work opportunities for local people and more contracts for local businesses	Deliver bespoke training for Commonwealth Games and City of Culture, in line with committed and new (European Social Fund and National Lottery) funding

**Aim 2 - To ensure everyone has the opportunity to benefit as the region recovers from COVID-19, improves resilience and tackles long-standing challenges**

2.1	We will work with local authorities, Jobcentres, colleges and training providers to ensure our communities are given training and employment support to access and succeed in new opportunities	<p>Continue to promote youth platform as the 'place to go' for young people and collaborate with partners to generate engaging up-to-date content</p> <p>Identify potential new provision to address skills gaps for those in-work, in partnership with DfE and DWP.</p> <p>Introduce Outcomes Framework for Community Learning in collaboration with Community Learning providers.</p>
2.2	We will work with partners to identify and address the different barriers faced by our diverse communities	<p>Support and develop the Coalition for Digital Inclusion</p> <p>Establish Life Chances Commission</p> <p>Convene partners to take action to address race inequalities through the Race Equalities Taskforce</p> <p>Support and develop the Young Combined Authority to deliver a programme of activity that puts young people's concerns at the heart of regional policy-making</p> <p>Conclude the Mental Health Commission and take forward the recommendations with internal and external partners.</p> <p>Support and develop the Leadership Commission through a clear work programme which interfaces with other taskforces and commissions.</p> <p>Co-ordinate and support partners in addressing the needs of refugees and asylum seekers arriving in the region through the Strategic Migration Partnership</p>
2.3	We will support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners	<p>Continue to deliver and extend the Thrive into Work programme and move to embed it as business as usual in primary and community care.</p> <p>Develop and deliver a work programme to promote and enhance an evidence-based approach to preventing and tackling health inequalities in the WMCA and amongst other regional partners.</p> <p>Develop new approaches to social innovation in the region including exemplar initiatives, training opportunities and a cross-agency virtual team.</p> <p>Ongoing facilitation of the Homelessness Taskforce and associated task and finish groups, members advisory group and pilot activity, including looking at alternative funding models for preventative activity.</p> <p>Ongoing oversight of Housing First pilot, Rough Sleepers Accommodation programme and Rough Sleepers Initiative.</p> <p>Deliver a Coalition on Trauma-Informed approaches, including implementing a regional vision, training framework and commissioning processes.</p> <p>Support a pilot programme of public sector leadership development with CIVIC and explore opportunities for wider roll-out</p> <p>Continue delivery of Thrive-at-Work programme as it transitions to becoming a more self-sustaining and autonomous project</p> <p>Develop collaborative projects with the Police and Crime Commissioner to help reduce crime and improve the criminal justice system</p>

### Aim 3 - To connect our communities by delivering transport, and unlocking housing and regeneration

3.1	We will deliver and operate a safe, accessible, affordable, reliable, and sustainable transport system together with our partners that will enable all communities to better access opportunity across the region	Increasing the efficiency and performance of transport delivery in the West Midlands
		Deliver the Commonwealth Games Active Travel Legacy programme
		Delivering our bus vision and BSIP to support inclusive growth.
		Develop and enhance frontline services and infrastructure that deliver high quality experiences that meet changing customer demands at TfWM facility, bus stations and interchanges.
		Ensure strategic and operational Health and Safety aims and key deliverables are communicated and embedded throughout the WMCA
		Creating and maintaining accurate and reliable public transport travel information including the requirements set out in the National Bus Strategy and Vision for Bus.
		Lead engagement with DfT and the rail industry to deliver better outcomes from today's railway
		Make the case for rail devolution
		Co-manage West Midlands rail franchise, through West Midlands Rail Executive
		Managing the West Midlands Transport Network through improved coordination with the Regional Transport Co-ordination Centre
		Keep the transport system safe and secure
		Develop and enhancing the performance of the Key Route Network (KRN)
		Deliver the operational plan for the Commonwealth Games for visitors to the region and ensuring reduced impacts on everyday journeys
		Improving the financial and operational performance of WM Metro to support growth of the network
		Maintain & publish a West Midlands Local Transport Plan and embed transport policy and strategy in the plans and programmes of the wider WMCA & partners.
		Develop and maintain a deep understanding of the needs, attitudes and perceptions of people who use the West Midlands transport system
		Continue to develop and maintain a robust common data environment for the West Midlands transport system
		Analyse the transport system to provide deep insight, recommend actions and produce robust and funded evidenced based business cases for schemes and programmes
Creating a system for easy to use and affordable payments to access the transport system		

3.2	We will build new and develop current transport infrastructure, so that travel in the region is sustainable, active, and low-congestion and integrated with nationally-important projects such as HS2	Deliver the West Midlands Walking and Cycling Programme and continue to invest in making streets more walkable
		Ensure the delivery of the CRSTS Capital Programme, including the TfWM Infrastructure programme
		Building and planning tomorrow's railways by delivering the Rail Investment Programme
		Extending the WM Metro Network to better serve more people and businesses delivering Westside (Edge), Wolverhampton City Centre, WBHE and Birmingham East Side extensions.
		Keeping travellers informed and finding new ways of keeping the West Midlands Moving through travel demand management / Mitigating the impacts of transport investment programmes on the West Midlands Networks
3.3	We will invest in and support housing and regeneration schemes across the region, working closely with the private sector and local authorities to unlock and accelerate sustainable delivery	Delivery of key requirements and output targets of Housing Deal & subsequent deals with HMG
		Supporting Local Planning Authorities with evidence for Local Plans and policy requirements
		Develop and collaborate on Board approved policy development work and master planning
		Deliver our nationally leading brownfield regeneration and delivery programmes
		Implement the approved Housing & Land Board Covid19 Recovery Strategy
		Run a series of industry led taskforces to provide critical insight and support
		Lead WMCA Strategic Asset Acquisitions, Disposals and Management programme
		Establish a series of new partnerships, ventures and joint ventures with public and private sector partners.
		Support and enable Affordable Housing Delivery including new joint venture and Registered Provider / Homes England partnerships
		Deliver and submit compelling business cases for additional funding from HMG
3.4	We will support and deliver coordinated investment packages with our partners across key corridors and local, town, and city centres	Oversee delivery of the regional One Public Estate Programme (OPE)
		Produce and launch 2022 WM Investment Prospectus and deliver programme of investor engagement and developer relationships
		Support and enable Town Centre regeneration and repurposing through investment and enabling work
		Support delivery of milestones in charter and route map for AMC (Advanced Manufacturing in Construction)
		Lobby/engagement programme with HMG on behalf of the region on housing, land and regeneration matters
		Programme of acquisitions and disposals of land in line with the Public Land Charter
		Developing Park & Ride assets to support better access to the transport system including making our transport assets more affordable by increasing commercial revenues
Support up to three local authority partners with 'Inclusive Growth in Action' schemes: Birmingham, Solihull and Sandwell		

## Aim 4 - To reduce carbon emissions to net zero, enhance the environment and boost climate resilience

4.1	We will work with partners to facilitate investment in, and delivery of, programmes to support net zero development such as to retrofit homes and develop smart local energy systems	<p>Promote green investment in the region working with partners to leverage commercial finance and co-investment in key investable propositions, building on research and development opportunities in the region</p> <p>Develop a system to measure and monitor progress on decarbonisation and other sustainability goals in the region with clear reporting to regional partners</p> <p>Develop policies and projects to ensure the energy infrastructure of the region supports competitive, clean and inclusive growth particularly through Local Area Energy Plans and energy devolution</p> <p>Deliver Smart Local Energy Systems projects to accelerate innovation in local area energy planning</p>
4.2	We will be national pioneers in advanced methods of construction, zero carbon housing and brownfield regeneration and delivery, informed by research at the National Brownfield Institute	<p>Deliver AMC (Advanced Manufacturing in Construction) investment attraction campaign and investment business case to HMG to accelerate growth in regional AMC industry</p> <p>Support delivery of milestones in charter and route map for Zero Carbon Homes in line with #WM2041 and support partner-led Net Zero neighbourhood pilots</p> <p>Develop and deliver the Net Zero Neighbourhood Demonstrator programme to pilot place-based approaches to retrofit and wider decarbonisation through a cohort of 3-5 local neighbourhoods</p> <p>Work with partners to develop and deliver projects to tackle fuel poverty in the region</p> <p>Establish the SMART Hub to support local authorities to access funding, intelligence and expertise to retrofit homes to reduce carbon emissions</p>
4.3	We will develop programmes to drive industrial decarbonisation, and grow the low carbon and circular economy	<p>Develop and implement the Circular Economy Route map priorities including an Industrial Symbiosis programme, Zero Carbon Construction Waste Hubs and wider enabling activities</p> <p>Develop and implement a programme of activities to rapidly reduce the Scope 1 and 2 carbon emissions of the WMCA including a scheme to decarbonise 16 Summer Lane and staff carbon literacy programme</p> <p>Lead and implement initiatives designed to build a sustainability legacy from the B2022 Commonwealth Games including Commonwealth Forest and Carbon Literacy programmes</p> <p>Work with partners on industrial decarbonisation and other initiatives to support regional businesses to decarbonise their operations including through the Net Zero Business Pledge</p> <p>Develop and deliver a programme of commercial energy efficiency and near/onsite energy generation projects with public and private sector partners</p>

4.4	We will pioneer and embed transport innovations and drive behaviour change to reduce emissions, improve air quality, and enable the creation of green jobs	Delivering a step change in our Mass Transit Network (including Sprint and Metro delivery programmes) to unlock inclusive growth and tackle climate change
		Develop and agree a strategy and target date to deliver a zero-emission bus fleet and supporting infrastructure across the West Midlands
		Create a strategic transport innovation eco-system to deliver inclusive growth
		Develop and commence delivery of Green Bootcamps for professional services.
		Deliver a wide-ranging Net Zero Behaviour Change programme to citizens across the region including the development of a WM Net Zero Citizens' Panel
		Implement the key actions in the Infrastructure for Zero Emission Vehicles strategy including delivery of EV Transit Stations spine programme
		Develop and deliver the agreed regional approach to tackling air pollution through the development of a Regional Air Quality Framework
4.5	We will increase investment in nature and our surroundings through a regional natural environment plan	Implement activities to deliver the Natural Environment Plan including LNRA, Virtual Forest, project pipeline and WM Insetting Fund
		Support community partners to enhance access to quality green space through a Community Green Grants programme
		Develop and support the regional Climate Adaptation Strategy and identify and deliver key activities for the WMCA and our partners

**Aim 5 - To secure new powers and resources from central government, and demonstrate the strength of our regional partnership**

5.1	We will develop our role as a collaborative regional partner, understanding the priorities of local organisations and acting as a convener and bridge to add value	Develop research, intelligence and analytical functions across the organisation to ensure our work is founded upon a strong evidence base and we are measuring, monitoring and evaluating progress against our corporate aims and regional impact
		Develop and maintain a deep understanding of the principles and challenges of our local authority members through sustained engagement at multiple levels across organisations
		Co-ordinate and contribute to pan-regional and national partnerships such as the Midlands Engine, M10 and other associations where there are opportunities for shared advocacy and impact
		Work with the private sector to understand their perspectives and build shared projects and investment propositions both directly and through representative groups such as Chambers of Commerce
		Convene community groups and the third sector to understand their experiences, amplify their voices and support shared endeavours on regional challenges
		Support partners to develop and deliver the 5 missions of the WM Digital Roadmap
5.2	We will work collectively with central government to gain new powers, resources, and investment channels for the WMCA and local authorities, including double devolution	Negotiate the further devolution of powers and flexibilities from central government
		Secure the resources needed for sustainable local and regional institutions and investment in priority projects through government budgets and funding streams
		Co-ordinating WMCA and regional responses to relevant fiscal events and government announcements
		Develop and deliver a co-ordinated regional approach to lobbying through the monthly Public Affairs Network



## Aim 6 - To develop our organisation and our role as a good regional partner

6.1	We will deliver collectively as one organisation with a collaborative and inclusive culture, underpinned by best in class enabling services	<p>Implement new ways of working identified, during Business Transformation, that ensure our Enabling Services effectively support delivery.</p> <p>Support internal stakeholders in the efficient and effective delivery of key WMCA projects across the Region.</p> <p>Develop WMCAs inclusive culture of best-in-class enabling services when managing land and property assets including asset information, compliance, vacant land management, rates, rents and tenant management, income generation, leases and licenses (relating to acquisitions and disposals)</p> <p>Convene Policy Working Group fortnightly to coordinate policy submissions, identify opportunities to work collaboratively and align emerging work to the corporate strategy</p> <p>Carry out policy and public affairs horizon scanning and intelligence gathering to cascade relevant insights across the organisation</p> <p>Coordinate MP engagement with WMCA senior stakeholders to ensure they understand our role and advocate our priorities</p>
6.2	We will drive cultural change to embed new hybrid and agile ways of working	<p>Ensure Strategic Asset Boards programmes support the transition to, and evolution of, hybrid working and agile practices for Acquisitions; Disposals; Income generation; Public Land Charter &amp; OPE; Strategic Facilities Management, Space &amp; Services; Safety, Security &amp; Compliance</p> <p>We will continue to develop hybrid working across the organisation giving staff the support they need to be able to continue to fulfil their roles in both an office and non-office environment.</p>
6.3	Ensure our workforce have the skills and competencies to deliver our strategy	We will continue to develop our coaching, mentoring, recruitment, training and leadership programmes in order to ensure our people can effectively deliver our Corporate strategy.
6.4	We will empower our organisation through digital-first and data enabled ways of working across all our activity	<p>Enhance the organisations digital culture and dexterity through improving and embedding our digital leadership, alignment and skills.</p> <p>Improve our digital end to end operational processes by becoming more streamlined, efficient and effective in our ways of working</p> <p>Modernise and improve our technology to become more digitally enabled</p> <p>Protect and manage our information to enable insight and evidence based decision making</p> <p>Enhance the organisations digital experience and interaction with internal and external stakeholders</p>

6.5	We will provide leading support for a diverse workforce and demonstrate excellent equality and diversity practice	We will continue to develop our role in attracting a wider pool of candidates that reflect regional diversity and offer development opportunities to employees from protected characteristic groups. .
		We will build staff competencies to ensure they are confident to actively engage in the equality and inclusion agenda, including developing inclusive leadership initiatives.
		We will support positive physical / mental health and wellbeing to ensure it is championed throughout the organisation.
		Improve our workforce data, including transparency, to help us make informed decisions on future initiatives and more consistently monitor and evaluate the impact of these initiatives.
6.6	We will involve citizens with our work to put their views at the heart of our planning, decision-making and delivery	Develop and support a varied portfolio of citizen engagement activity across the WMCA to ensure decisions are shaped by citizens and that our policies, practices and investments deliver real value for everyone living and working in the region
6.7	We will deliver through clear and effective governance and performance management that supports good, timely, and transparent decision making and the best use of public funds	Align business planning with corporate strategy and report on outcome measures every six months
		Support the delivery of key Business projects across the organisation through the Procurement process to ensure best value for money
		A full review of external legal case management systems is being undertaken in line with the corporate objectives to ensure effective working practice with enhanced review analysis and management information.

## APPENDIX 4 - Transport Capital Programme

TRANSPORT CAPITAL PROGRAMME (£M)		2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	TOTAL
Investment Programme - Metro	Metro Wednesbury to Brierley Hill Extension	76.2	127.8	140.4	29.7	0.0	374.1
	Metro Birmingham Eastside Extension	61.6	63.9	44.4	19.6	2.2	191.7
	Metro Network Enhancements	7.1	4.1	0.4	0.2	0.2	12.0
	Metro Edgbaston Extension	4.6	0.4	-	-	-	4.9
	Wolverhampton Metro Extension	6.3	1.9	-	-	-	8.3
	Metro Enabling and Other Works	6.6	2.8	0.4	-	0.3	10.1
Investment Programme - Rail	Rail - Camp Hill Line Local Enhancements (Package 2)	8.3	26.0	21.0	0.0	-	55.4
	Rail - Walsall to Wolverhampton Local Enhancements (Package 1)	10.7	36.4	1.9	0.0	-	49.0
	Rail - Sutton Coldfield Gateway	0.0	3.5	17.8	-	-	21.3
	Rail - Snow Hill Lines	-	-	-	-	-	-
Investment Programme - Sprint	Sprint - Hagley Road Phase 1	2.3	1.9	-	-	-	4.2
	Sprint - Longbridge to Birmingham	0.2	-	17.2	11.0	14.1	42.5
	Sprint - Hall Green to Interchange via Solihull	-	0.2	-	7.3	14.6	22.1
	Sprint - Hagley Road Phase 2	-	-	13.1	10.7	56.0	79.8
	Sprint - Sutton Coldfield to Birmingham	0.0	-	25.9	-	-	25.9
<b>INVESTMENT PROGRAMME TOTAL</b>		<b>183.9</b>	<b>268.9</b>	<b>282.4</b>	<b>78.6</b>	<b>87.5</b>	<b>901.3</b>
CWG Programme	Sprint - A45 Birmingham to Airport and Solihull	32.4	6.8	-	-	-	39.3
	Sprint - A34 Walsall to Birmingham	22.0	2.4	-	-	-	24.4
	University Station Improvement Project	39.2	2.8	-	-	-	41.9
	Perry Barr Rail Station	16.0	5.2	-	-	-	21.1
	Regional Traffic Control Centre	7.9	5.1	-	-	-	13.0
	Sprint - A45 Phase 2	-	-	-	11.8	11.7	23.5
	Sprint - A34 Phase 2	-	-	-	15.2	11.6	26.8
<b>CWG PROGRAMME TOTAL</b>		<b>117.5</b>	<b>22.3</b>	<b>-</b>	<b>27.0</b>	<b>23.3</b>	<b>190.0</b>
Other Major Programmes	Dudley Interchange	2.5	17.2	-	-	-	19.7
	Cross City Bus - City Centre & Druids Heath	2.9	19.5	-	-	-	22.4
	Coventry City Electric Bus	4.9	20.6	9.3	13.6	6.5	55.0
	Future Mobility Zone	5.2	6.0	-	-	-	11.1
	A435 Alcester Rd Bus Priority Revitalisation	1.1	0.2	-	-	-	1.2
	West Midlands Cycle Hire Scheme	3.5	-	-	-	-	3.5
	Key Route Network Safety	1.1	-	-	-	-	1.1
	Connected and Autonomous Vehicles Testbed and Test Facilities	0.6	-	-	-	-	0.6
	Other Works	2.3	-	-	-	-	2.3
<b>OTHER MAJOR SCHEMES PROGRAMME TOTAL</b>		<b>24.1</b>	<b>63.5</b>	<b>9.3</b>	<b>13.6</b>	<b>6.5</b>	<b>117.0</b>
Minor Work Programme	Asset Management Programme	1.7	0.1	-	-	-	1.8
	Real Time Information Upgrades	0.3	0.4	-	-	-	0.6
	Better Streets Community Fund	1.4	0.1	-	-	-	1.5
	DfT Tackling Nitrogen Dioxide and Air Quality	0.5	0.1	0.0	0.0	-	0.7
	Strategic Transport Officer Group Top Slice	0.1	0.1	0.2	-	-	0.3
	ADEPT Live Lab / Autoplex	1.1	-	-	-	-	1.1
	Other Cycling Programmes	0.5	-	-	-	-	0.5
	Other Works	0.7	-	-	-	-	0.7
<b>MINOR WORKS PROGRAMME TOTAL</b>		<b>6.3</b>	<b>0.7</b>	<b>0.2</b>	<b>0.0</b>	<b>-</b>	<b>7.2</b>
Grants to Local Authorities	Cycling Programme	2.4	11.3	-	-	-	13.7
	Major Road Network- Programme	2.0	9.0	-	-	-	11.0
	Birchley Island (Sandwell MBC)	-	1.0	-	-	-	1.0
	B4106 Spon End (Coventry CC)	3.9	1.6	-	-	-	5.5
	New St/High St/Victoria Sq Public Realm	3.7	1.3	-	-	-	5.0
Other Works	0.9	-	-	-	-	0.9	
<b>GRANTS TO LOCAL AUTHORITIES PROGRAMME TOTAL</b>		<b>12.8</b>	<b>24.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.0</b>
<b>TRANSPORT TOTAL</b>		<b>344.5</b>	<b>379.6</b>	<b>291.9</b>	<b>119.2</b>	<b>117.3</b>	<b>1,252.6</b>

## APPENDIX 5 – Housing and Land/Other Capital Programme

HOUSING AND LAND CAPITAL PROGRAMME (£M)		2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	TOTAL
IP Land	Brownfield Land & Property Development Fund (BLPDF)	9.1	9.2	0.1	0.1	-	18.5
Remediation	LPIF (Black Country Consortium)	3.6	18.4	36.3	30.5	30.1	118.8
Land Fund	Land Fund - Friar Park Sewage Disposal Works	1.2	0.4	0.6	4.0	0.0	6.2
	Land Fund - Caparo	0.9	0.9	0.4	0.4	-	2.6
	Land Fund - Icknield Port Loop Phase 2a & 2b	1.5	1.2	-	-	-	2.7
	Land Fund - Former Cookley Works, Brierley Hill	0.2	0.5	0.3	-	-	1.0
	Land Fund - Lioncourt Homes (Dev1) Ltd	0.2	0.4	0.1	-	-	0.6
	Land Fund - Dobbs Street, Wolverhampton	0.2	0.4	-	-	-	0.6
	Land Fund Acquisition - Abberley Street	0.2	0.3	0.0	-	-	0.5
	Land Fund - Aga Site	0.1	0.3	0.3	0.3	0.5	1.4
	Land Fund - Steelhouse Lane, Wolverhampton	0.3	0.0	-	-	-	0.4
	Land Fund - Portersfield	1.2	3.8	0.9	0.4	0.0	6.2
	Land Fund - Fountain Lane	1.7	0.8	1.0	0.5	-	3.9
	Land Fund - The Marches	4.6	0.0	0.0	0.0	0.0	4.7
	Land Fund - Harvestime	0.1	-	-	-	-	0.1
	Land Fund Acquisition - Cranford Way	-	-	-	0.1	0.1	0.2
	Land Fund Viability Programmes	4.9	3.5	2.2	0.3	0.2	11.1
	NCF - West Longbridge	4.2	2.3	0.0	0.0	0.0	6.4
	Land Fund - Pipeline	1.6	9.1	8.7	6.5	4.0	30.0
	National Competitive Fund - Pipeline	0.1	4.6	8.6	4.2	-	17.5
	Brownfield Land - Pipeline	1.0	33.7	41.5	7.8	-	83.9
	<b>HOUSING AND REGENERATION PROGRAMME TOTAL</b>		<b>36.8</b>	<b>89.6</b>	<b>100.9</b>	<b>55.0</b>	<b>34.9</b>
OTHER CAPITAL PROGRAMME (£M)		2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	TOTAL
5G		3.1	1.2	-	-	-	4.3
<b>OTHER TOTAL</b>		<b>3.1</b>	<b>1.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.3</b>

## APPENDIX 6 – Investment Programme Grants to Local Authorities

INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIES		2021 /	2022 /	2023 /	2024 /	2025 /	TOTAL
CAPITAL PROGRAMME (£M)		2022	2023	2024	2025	2026	
	Coventry City Centre South Regeneration - City Centre	1.1	22.8	44.4	-	17.4	85.7
	Coventry City Centre South Regeneration - Friargate	21.6	13.9	5.0	1.9	-	42.4
	Coventry South Package - Tile Hill Station Improvements	0.1	-	3.2	3.8	-	7.0
	Coventry UKC Plus - Coventry Station Masterplan (CSMP)	18.2	1.2	-	-	-	19.4
	Coventry UKC Plus - UK City of Culture 2021 Regeneration	9.6	-	-	-	-	9.6
Investment	Coventry UKC Plus - Coventry South Package	2.4	4.6	0.8	5.4	68.6	81.8
Programme	Coventry UKC Plus - Coventry North Package	-	-	4.0	11.3	6.2	21.4
	Coventry UKC Plus - Very Light Rail: Transforming Connectivity	2.5	-	2.8	15.0	25.0	45.3
	UK Central Infrastructure Package - Programme Total	9.2	5.5	34.3	49.1	115.0	213.1
	Commonwealth Games	25.0	-	-	-	-	25.0
	UK Central HS2 Interchange - Programme Total	13.9	12.6	98.3	52.8	128.0	305.7
	CoW Technical Centre	1.0	5.1	1.6	0.1	-	7.8
<b>IP GRANTS TO LOCAL AUTHORITIES</b>		<b>104.7</b>	<b>65.7</b>	<b>194.4</b>	<b>139.2</b>	<b>360.1</b>	<b>864.1</b>

## APPENDIX 7 – MAYORAL Q&A



West Midlands  
Combined Authority

### Overview & Scrutiny Committee

Wednesday 15 December at 10.00am

#### Minutes

##### Present:

Councillor Cathy Bayton (Chair)	- Association of Black Country Authorities
Councillor Lisa Trickett (Vice-Chair)	- Birmingham City Council
Councillor Naeem Akhtar	- Coventry City Council
Councillor Maya Ali	- Coventry City Council
Councillor Mike Chalk	- Worcestershire Non-Constituent Local Authorities
Councillor Liz Clements	- Transport Scrutiny Sub-Committee
Councillor Tony Diccio	- Solihull Metropolitan Borough Council
Councillor Peter Fowler	- Birmingham City Council
Councillor Ian Kettle	- Dudley Metropolitan Borough Council
Councillor Nigel Lumby	- Shropshire Non-Constituent Local Authorities
Councillor Charn Padda	- Sandwell Metropolitan Borough Council
Councillor Paul Sweet	- City of Wolverhampton Council
Councillor Vera Waters	- Walsall Metropolitan Borough Council

##### In Attendance:

Dan Essex	- Governance Services Manager
Kashmire Hawker	- Young Combined Authority
Councillor Barbara McGarrity	- City of Wolverhampton Council
Councillor Gurdev Hayre	- Coventry City Council
Councillor Adam Hicken	- Walsall Metropolitan Borough Council
Linda Horne	- Director of Finance
Councillor Thabiso Mabena	- Sandwell Metropolitan Borough Council
Councillor Martin McCarthy	- Solihull Metropolitan Borough Council
Lyndsey Roberts	- Scrutiny Officer
Laura Shoaf	- Chief Executive
Councillor Bob Sleigh	- Portfolio Lead for Finance
Mark Smith	- Chair of Audit, Risk & Assurance Committee
Andy Street	- Mayor of the West Midlands

##### Welcome and Introductions

The Chair welcomed the Mayor and members of the committee to the second mayoral question time for 2021/22 that would be focussing on the proposed draft 2022/23 budget.

##### Apologies for Absence

Apologies for absence were received from Councillor Kate Booth (Birmingham).

## **Mayor's Opening Statement**

The Mayor provided an opening statement focussing on the achievement of a four year balanced budget to date, the uncertainty in respect of the transport revenue due to the withdrawal of the COVID-19 recovery funding post-April 2022, and the ability of the budget being able to leverage in further capital investment.

Councillor Bob Sleight added that a balanced budget would be submitted to the WMCA Board on 14 January 2022, and although the WMCA was producing a one-year budget for 2022/23, due to strong financial management within the organisation it would again be a balanced budget.

## **Questions to the Mayor and Portfolio Lead for Finance**

The committee pursued a number of general lines of enquiry with the Mayor and the Portfolio Lead for Finance, including the sustainability of the budget, Mayoral precept, transport revenue, housing, environment and the Adult Education Budget.

In terms of the sustainability of the budget for 2022/23, the WMCA would be able to fund the key areas of activity from its non-transport budget and with regard to transport, the budget sustained all of the current transport services and concessions. However, if patronage declined next year and the Government ceased to provide financial support, the WMCA would have to fulfil the shortfall on the tram network and indirectly on the bus network, as the WMCA would have to decide whether it would fund those services that National Express West Midlands were no longer willing to operate on a commercial basis.

The Mayor answered questions in relation to addressing the housing needs within the region and the committee's concerns that the pace of delivery of affordable housing. The WMCA was making progress on the delivery of affordable housing but had yet to make progress on the provision of social housing. The Government had now agreed £8.1bn in funding, which had been allocated to housing associations across the country and, of that, £1.1bn had been allocated to housing associations within the region. The WMCA would be working closely with housing associations to help accelerate this expenditure. In terms of the housing delivery vehicle, the committee sought confirmation as to whether it captured all of the housing associations with a significant allocation of the £8.1bn and questioned how they had been chosen. The Mayor agreed to provide a briefing note on this matter that provided the transparency sought by the committee. The nature of the £8.1bn and how it fitted with the delivery vehicle and housing need would be referred to the Overview & Scrutiny Housing Review for further investigation.

With regard to the possibility of a Mayoral precept, a collective decision involving constituent authority leaders had been made not to set a precept for 2022/23 due to the impact that this would have on households during these difficult times. However, the WMCA may have to consider the introduction of a precept in subsequent years if the risks emerged in relation to transport.

The Mayor and members of the committee agreed that the current bidding process for funding from Government could be improved by adopting a 'single pot' funding model. The WMCA continued to lobby Government on the need to change the funding model.

Questions were raised in relation to the reliability and provision of public transport during the Commonwealth Games, concerns around the transport funding gap beyond 2022/23 and the delivery of the Local Transport Plan, the City Region Sustainable Transport Settlement, bus franchising, future of non-statutory travel concessions and the impact of the farebox revenue reductions in terms of the longer term plans for extending the Metro network, particularly the Wednesbury to Brierley Hill Metro extension, the current suspension of the Midland Metro

services, the importance of connecting people to jobs and WMCA payments to National Express West Midlands for concessionary travel.

The committee noted the transport revenue challenges and the challenges in maintaining subsidised bus services if commercial operators chose to withdraw a route if it was unviable, along with the impact that this would have on the budget and those communities of most need of bus services. There needed to be greater clarity on how bus, train or metro connectivity was to be improved for those areas with the greatest need. In terms of bus franchising, there would be a report going to WMCA Board in January 2022. The committee welcomed and hoped that the lobby of government for the continuation of the COVID-19 Recovery funding was successful.

In terms of the current closure of the Midland Metro services and the implications that this would have on future extensions, in particular the Wednesbury to Brierly Hill Metro extension, members were assured that the WMCA would seek to mitigate the losses incurred over the last four weeks and dialogue continued to be had with regard to the investment funding model used for Midland Metro.

The Mayor assured members that within the 2022/23 budget, non-statutory travel concessions were maintained. However due to the deficit, in subsequent years the WMCA might need to make some difficult decisions. Members stressed the importance of maintaining the bus network that provided a vital service for the poorest communities. Further to the concerns raised by Councillor Vera Waters regarding National Express West Midlands, the Mayor agreed to ensure that she was provided with the opportunity to join National Express West Midlands Customer Panel.

In respect of the recently published Environment Act, there was a requirement for the WMCA to work with local authorities on air quality plans, although there was concern that the Act appeared to give additional responsibilities without the additional resources required to exercise these responsibilities. The Mayor added that a report would be submitted to the WMCA Board in February 2022 on this matter.

The Mayor explained the changes made following the devolution of the Adult Education Budget to the WMCA, including the reduction in contracts and the improvements made in the quality of the level of the workforce across the region. The Mayor welcomed dialogue with the Young Combined Authority on the issues around the Kickstart Programme and the take up of apprenticeships.

Resolved:

The following observations be shared with the Mayor for considerations and response:

- (i) What steps are to be taken to ensure that the WMCA and Transport for West Midlands review how Metro services came to be suspended, and that lessons would be learnt to ensure that a similar situation did not occur again?
- (ii) Can further assurance be provided that the key transport infrastructure being developed for the Commonwealth Games will be operational in time so as to ensure that connectivity and sustainability of the region's transport network was able to meet the challenges of hosting an international sporting event of the scale of the Commonwealth Games?



- (iii) What specific measures are Transport for West Midlands currently looking at that will seek to mitigate the potential removal of the Government's pandemic support funding for public transport from April 2022?
- (iv) Can further information be provided as to the considerations currently being undertaken regarding the financial viability of the Wednesbury - Brierley Hill Metro extension and any impact that these considerations may have on the construction timetable?
- (v) What specific decision-making role does the WMCA have within the proposed Affordable Housing Vehicle, and how might this vehicle help deliver more social housing supply within the region?