



West Midlands
Combined Authority

WMCA Board

Date	18 March 2022
Report title	Financial Monitoring Report 2021/22
Portfolio Lead	Finance - Councillor Bob Sleight
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Linda Horne, Director of Finance email: linda.horne@wmca.org.uk
This report has been considered by	Strategic Leadership Team - 23 February West Midlands Finance Directors – w/c 21 February Programme Board - w/c 28 February

Recommendation(s) for action or decision:

WMCA Board is recommended to:

- (1) Note the financial position as at 31 January 2022, as detailed in Sections 2-5.
- (2) Note the latest 2021/22 forecast, and confirmation of the 2022/23 Adult Education Budget, as detailed in Section 3.
- (3) Approve acceptance of Social Housing Decarbonisation Funding and approve the budget for the project, as detailed in Section 6.
- (4) Note that the arrangements for the 2022/23 successor of Integrated Transport Block and Highways Maintenance Grant are addressed within the CRSTS Report to this Board meeting.
- (5) Approve the relevant amendments to the Contractual Standing Orders within the WMCA Constitution to enable improvements to the efficiency and effectiveness of WMCA's procurement activity, as detailed in Section 7.
- (6) Approve the WMCA Pay Policy attached as Appendix 10, as detailed within Section 8.

(7) Note the WMCA 2022/23 Annual Business Plan, as detailed in Section 9.

1.0 Purpose

1.1 To provide an update on the Combined Authority's finances as at the end of January 2022.

2.0 Financial Monitoring In year

2.1 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority.

2.2 The overall year to date position at the end of January shows a £3.917m favourable variance from budget. This consists of a favourable variance within the Transport budget of £4.401m and an adverse variance within the Delivery budget of £0.484m.

2.3 The favourable variance within the Transport budget is largely due to Concession savings during the pandemic as a result of reduced service provision by operators, lower patronage and no fare increases. Further savings have been achieved due to the revision of the Accessible Transport contract, including bringing the Customer Service team in-house. In addition, there is increased Digital Advertising revenue along with current savings within the Subsidised Bus budget and ongoing staffing variations across various areas which have also contributed to the favourable variance. These savings have been partly offset by re-profiling use of planned reserves.

2.4 Within the Delivery budget the adverse variance year to date of £0.484m is due to timing of planned use of reserves, partly offset by additional grant income within the Wellbeing and Productivity & Skills Portfolios along with savings relating to staffing variations and re-profiling of activity across several Portfolios.

3.0 2021/22 Expected Outturn and 2022/23 Budget Update

3.1 A refresh of the full year forecast was under-taken during January and the position now reflects the expected outturn at year end.

3.2 Savings within the Concessions budgets, primarily due to lower than budgeted patronage and fare assumptions along with reduced services as a result of Covid-19, are now reflected within the latest forecast.

3.3 The expected full year impact of the revision of the Accessible Transport contract, including bringing the Customer Service team in-house, is also reflected.

3.4 These favourable variances are partly offset by an increase in Metro Operational Costs relating to unprecedented additional pressure from increasing energy costs.

3.5 The expected surplus within Transport totals £5.7m. Of this, £3.6m will be carried forward to support the revenue budget next financial year as agreed by WMCA Board in February 2022. The remaining £2.1m will be earmarked to protect against specific risks in relation to the operation of the Transport Network into 2022.

3.6 The Delivery and Mayoral budgets are forecast to outturn in line with budget with a slight favourable variance within the Mayoral Election budget being offset by a lower draw down of funding.

3.7 As verbally communicated at WMCA Board on 11 February 2022, the Adult Education Budget for 2022/23 has been confirmed at £140.6m by the Department for Education.

3.8 Appendices 2 and 3 present the detailed summaries for Transport and Non-Transport functions respectively.

4.0 Mayoral Budget

4.1 Appendix 4 presents the Mayoral Office position as at the end of January 2022, which remains in line with budget at this stage of the year.

5.0 Capital Programme

5.1 Appendix 5 sets out the position on the Capital Programme as at the end of January 2022. Actual costs totalled £313m, resulting in a favourable variance of £150.9m against a budget of £464.1m.

5.2 The year to date expenditure to budget variance is primarily contained within Transport (£57.6m), Grants to Local Authorities within the Investment Programme (£20.5m) and Housing (£25.1m).

5.3 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget of £347m, including all the Rail/Sprint & Metro extension schemes.

5.4 At the end of January, actual costs totalled £241.7m, which was £105.3m below the budget of £347m. The main variances at the end of January were contained within the Metro Programme totalling £46.7m, further detail is available in Appendix 5.

5.5 Whilst the programme does outline elements of slippage due to external factors being encountered within a difficult delivery environment, it is important to note that all capital schemes are continuing to be delivered in line or broadly in line with the original schedule.

5.6 WMCA have agreed to incorporate additional scope into the Perry Barr Station scheme at the request of Network Rail. The additional scope comprises of additional Platform Crossfall works (£1.9m) and Subway infill works (£0.268m) and all costs will be met by Network Rail through the provision of additional grant to WMCA. The total scheme budget including this externally funded additional scope of £2.168m is now £33.148m.

5.7 WMCA annually administer Highway Maintenance and Integrated Transport Block Grants for use by Local Authorities and the grant values are generally confirmed within the February Budget Report. As these grants (or the successors of) have been integrated into the CRSTS programme from 2022/23, these allocations will be confirmed in a separate report to this Board meeting on the CRSTS programme and are subject to approval by DfT and agreement by WMCA to the grant terms and conditions.

6.0 Social Housing Decarbonisation Funding Update

- 6.1 WMCA were recently successful in being awarded £7.5m of grant by the Department for Business Energy and Industrial Strategy from the Social Housing Decarbonisation Fund. The grant supports the development and implementation of a fuel poverty and regional retrofit programme. Under the WM2041 Five-Year-Plan's decarbonisation priorities, domestic energy efficiency measures and heating retrofit have been identified as having the greatest impact in carbon terms. The gross project value will be £14.7m with the match funding being provided by partners. The grant will be made available by WMCA for consortium partners including local authorities and housing associations to deliver the necessary interventions. WMCA will act as consortium manager and will put in place an appropriate consortium agreement to ensure the financial risk to WMCA is mitigated.
- 6.2 Should there be any award of additional funding to the Authority from any source for any activity during the period between this Board and the June Board, the WMCA Finance Director in consultation with the Finance and Investment Portfolio holder will sign off ensuring no unmanaged risk to the Authority.

7.0 WMCA Procurement Procedure

- 7.1 Following a review of procurement activity and procedures in WMCA, this report recommends amendments to Section 8 of WMCA Contractual Standing Orders.
- 7.2 The main changes recommended are as follows:
- Currently, for contracts of £5,000 and below, at least one oral quote is required. The recommendation within this report will increase the upper limit where one oral quote is required to £10,000.
 - Currently the threshold for low value procurements is £5,000 to £50,000 requiring at least three written quotes with values in excess of £50,000 up to the GPA threshold requiring a Request for Quotation exercise. It is recommended that the thresholds where written quotes are required are amended to £10,000 to £75,000.
 - As detailed above, currently all procurement over £50,000 currently requires a Request for Quotation exercise. It is recommended this threshold is increased to £75,000 and over.
 - Exemptions are to be redefined as Single Tender Action and removed as an option for low value procurements (£10,000 to £75,000). Single Tender Actions in excess of £50,000 will be approved by WMCA's Legal team.
- 7.3 The above changes are intended to be supported by other improvements (including more effective internal reporting), which were identified throughout the review ensuring WMCA are able to continually demonstrate value for money procurement practices in a transparent manner.
- 7.4 The volume of oral and written quotes detailed above are minimum expectations and as such, WMCA will look to obtain additional evidence to demonstrate value for money where there is a clear case to do so.

8.0 WMCA Pay Policy

- 8.1 WMCA Board are requested within this report to approve the WMCA Pay Policy (Appendix 10). The policy was previously agreed in February 2022 by WMCA Board, however, the approval will only ever reflect a point in time and WMCA Board will be aware that work has been ongoing by the Chief Executive of WMCA to deliver a streamlined organisational structure to ensure the Authority is fit for the future and can cope with increasing demands into 2022 at no additional cost.
- 8.2 A revised organisation structure is now underway with staff and as a result of the proposed absorption and merger of some functional activity into existing Executive Director roles the 2022/23 pay policy now requires amendment to replace the titles of the Executive Director roles.
- 8.3 The Executive Director salary band and role title amendments detailed within the policy reflect the outcomes of the work to streamline the Executive structure and also ensure potential cost of living related increases up to 2022/23 against Executive and Operational Director posts can be accommodated within the parameters of the policy. The policy document attached as Appendix 10 also now includes the revised Salary Point scales incorporating the cost of living increase for 2021/22 which was recently agreed. To clarify, there are no further changes to the policy approved previously in February 2022.

9.0 WMCA 2022/23 Annual Business Plan

- 9.1 Appendix 11 includes the WMCA 2022/23 Annual Business Plan. The Annual Business Plan (ABP) is a vital link between the WMCA Aims and Objectives, agreed by WMCA Board in November 2021, through Directorate and team plans and into the Individual Performance Management (IPM) goals of staff across the organisation. The Annual Business Plan sets out all activity to be delivered in 2022/23 aligned to those Aims and Objectives. Identification of all planned activity was undertaken collaboratively and engagement with Directorates cascaded directly from SLT
- 9.2 This Annual Business Plan adds value in a number of ways. It will provide a single source of the truth for delivery activity to achieve the Aims & Objectives, there is also greater visibility of the funding sources and through monitoring and reporting it provides accountability.
- 9.3 It is an internal document for staff across the organisation to clearly see how the work they are doing ultimately achieve the vision of a more prosperous and better connected West Midlands that is fairer, greener and healthier. In addition to the Aims, Objectives and High Level Deliverables there is an overview from each Director on how they will deliver the ABP, content on the Enabling Services functions and the Corporate Management Team. In the finance section there is improved visibility and transparency of the sources of funding and detail on how the plan will be measured and reported.
- 9.4 There are 136 High Level Deliverables (HLD) agreed by WMCA Board in February 2022 and these set out the activity at quite a high level. SMART milestones have been identified and agreed beneath each HLD; these provide the detail at a much more granular level of delivery activity and are profiled by month with measures and targets. Each milestone has an appointed owner and they are responsible for providing monthly updates on progress.

9.5 Outputs will be collated and analysed monthly and reported to WMCA Executive Team. They will also be reported to WMCA Board mid-year in October and then performance against ABP as an outturn report each June. There will be a visually rich 'real-time' dashboard providing a RAG-rated view of performance against profile and delivering a 'single version of the truth' through data that will be triangulated with the Strategic Risk Register and finance cost codes. This provides a dashboard with a hierarchy of data from a strategic aim and objective view down to individual milestone and this will support evidence-based decision making.

10.0 Investment Programme

10.1 The financial results for the West Midlands Regional Investment Programme run one month behind the regular management accounts, due to the requirement to consolidate outputs across the metropolitan area.

10.2 The December expenditure is shown at Appendix 7, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily constituent member local authorities).

10.3 Appendix 8 summarises grant funding commitments approved by WMCA for projects within the Investment Programme, which total £858.5m as at 31st January 2022 (£858.5m as at 31st December 2021).

10.4 WMCA Investment Programme funding drawn / incurred by projects against these funding commitments as at 31st December 2021 totals £397.9m.

10.5 Since the last report, the Full Business Case for the West Midlands Co-Investment Fund was approved at WMCA Board on 14th January 2022. There is no change to the quantum of WMCA Investment Programme funding awarded for the project previously at WMCA Board on 23rd July 2021.

10.6 In addition, the following business cases have been approved by Directors of WMCA under delegated authority:

- UK Central Infrastructure Package - Playing Pitch Implementation Strategy (SOC) – A grant funding award of £340,169 from the WMCA Investment Programme was made for initial design and development of the project.
- UK Central Infrastructure Package – Accelerating Housing Delivery (including Simon Digby) (OBC). There is no change to the quantum of WMCA Investment Programme grant funding awarded for the project.

10.7 The funding approved for these projects is consistent with expectations in respect of the current overarching WMCA Investment Programme affordable limit endorsed at WMCA Board on 19th March 2021.

11.0 Balance Sheet

11.1 Appendix 9 presents the West Midlands Combined Authority Balance Sheet which shows a healthy financial position as at 31st January 2022.

11.2 The increase in property, plant and equipment reflects TfWM capital spend and work-in-progress funded mainly by grants in advance, resulting in an increase of £11.9m.

Consequently, grants receipts in advance has decreased largely due to the Metro Birmingham Eastside and Wednesbury to Brierley Hill extension schemes funded from the DfT grants.

- 11.3 The decrease in short-term deposits is largely due to the payments in respect of the CIF loan drawdown, Adult Education Budget, Investment Programme and Metro extension schemes. The CIF loan drawdown contributed to the increase in investments and the AEB payments led to the decrease in earmarked reserves.

12.0 Administered Funds

- 12.1 Administered Funds as at 31st January 2022 totalled £71.3m. A breakdown of this amount is included within Appendix 6. These funds do not form part of the Authority's own revenue and capital budgets but are effectively funds where WMCA is the Accountable body and passports out to partner Authorities to deliver.

13.0 Financial Implications

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

14.0 Other Implications

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

15.0 Appendices

- Appendix 1 – WMCA Consolidated Summary – January 2022
- Appendix 2 – WMCA Transport Revenue Summary - January 2022
- Appendix 3 – WMCA Delivery Budget Summary – January 2022
- Appendix 4 – WMCA Mayor Revenue Summary – January 2022
- Appendix 5 – WMCA Capital Transport Delivery Programme – January 2022
- Appendix 6 – WMCA Administered Funds – January 2022
- Appendix 7 – Total Regional Investment Programme Expenditure – December 2021
- Appendix 8 – WMCA Investment Programme Commitments – January 2022
- Appendix 9 – WMCA Balance Sheet – January 2022
- Appendix 10 – WMCA Pay Policy
- Appendix 11 – WMCA 2022/23 Annual Business Plan

Appendix 1

WMCA Consolidated Revenue Budget Summary – January 2022

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	95,600	95,600	0	114,720	114,720	0
Commonwealth Games	3,928	3,991	(63)	6,770	5,423	1,347
Revenue Grants & Other Income	11,024	8,335	2,689	13,610	9,348	4,262
Adult Education Funding	108,162	123,833	(15,671)	128,257	142,698	(14,441)
Share of Business Rates	8,320	7,500	820	2,832	9,000	(6,168)
Constituent Membership	3,870	3,870	0	4,644	4,644	0
Non Constituent Members	355	354	1	425	425	0
Investment Programme	0	3,153	(3,153)	33,135	36,500	(3,365)
Investment Income	749	749	0	881	898	(17)
Use of Reserves	4,935	8,489	(3,554)	10,382	9,495	887
Total Funding	236,943	255,874	(18,931)	315,656	333,151	(17,495)
Transport for West Midlands	93,045	99,709	6,664	114,883	119,415	4,532
Commonwealth Games	3,928	3,991	63	6,770	5,423	(1,347)
Economy & Innovation	4,451	2,823	(1,628)	5,114	3,381	(1,733)
Environment, Energy & HS2	793	530	(263)	1,143	598	(545)
Housing and Land	1,016	1,167	151	1,363	1,400	37
Wellbeing	954	1,276	322	1,371	1,502	131
PSR & Social Economy	1,114	1,440	326	1,673	1,563	(110)
Culture and Digital	234	152	(82)	264	174	(90)
Productivity & Skills	113,116	128,364	15,248	134,862	147,598	12,736
Inclusive Communities	26	34	8	78	68	(10)
Business Support	1,608	1,051	(557)	2,282	2,064	(218)
Investment Programme	8,408	10,741	2,333	36,054	45,605	9,551
Mayoral Office	663	635	(28)	779	760	(19)
Mayoral Election	3,309	3,600	291	3,308	3,600	292
Total Expenditure	232,665	255,513	22,848	309,944	333,151	23,207
Net Expenditure (before earmarked reserves)	4,278	361	3,917	5,712	0	5,712
Earmarked reserve (Support for Bus Network)	0	0	0	2,100	0	(2,100)
Earmarked reserve (2022/23 Transport Budget Support)	0	0	0	3,600	0	(3,600)
Net Expenditure (after earmarked reserves)	4,278	361	(3,917)	12	0	(12)
Transport	4,182	(219)	4,401	12	0	12
Delivery	96	580	(484)	0	0	0
Mayoral Office	0	0	0	0	0	0
Total Surplus / (Deficit)	4,278	361	3,917	12	0	12

The year to date position at the end of January shows a £3.917m favourable variance from budget and a full year forecast of £5.7m. As previously reported to Board the January reforecast exercise has enabled us to now accurately assess the final detailed transport outturn and to retain this to fund the 22/23 budget and transport risks as approved in the February 22 Budget report.

This is largely as a result of Concessions savings during Covid-19 driven by lower patronage and no fare increases, the revision of the Accessible Transport contract and staffing variations. In the full year savings in these areas will be partly offset by an increase in cost of Metro operations due to an unprecedented additional pressure from increasing energy costs.

Final outturn within the Delivery budget is expected to be in line with overall budget.

Appendix 2

Transport for West Midlands full year revenue position – January 2022

	JANUARY 2022 YEAR TO DATE						FULL YEAR 2021/22				
	ACTUAL £000			BUDGET £000			YTD VARIANCE FAV / (ADVERSE) £000	FORECAST £000	BUDGET £000	FULL YEAR VARIANCE FAV / (ADVERSE) £000	
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET					
Transport Levy	95,600	0	95,600	95,600	0	95,600	0	114,720	114,720	0	
Use of Reserves	1,626	0	1,626	3,889	0	3,889	(2,263)	5,874	4,695	1,180	
TOTAL FUNDING	97,226	0	97,226	99,490	0	99,490	(2,263)	120,594	119,415	1,180	
Concessions											
National Bus Concession	134	40,331	(40,198)	88	42,555	(42,467)	2,270	(45,797)	(50,472)	4,675	
Metro / Rail	0	3,806	(3,806)	0	3,797	(3,797)	(9)	(4,565)	(4,572)	7	
Child Concession	0	5,275	(5,275)	0	5,788	(5,788)	513	(6,358)	(7,029)	671	
	134	49,413	(49,279)	88	52,141	(52,053)	2,774	(56,720)	(62,073)	5,353	
Bus Services											
Bus Stations / Infrastructure	6,764	10,828	(4,064)	6,115	10,428	(4,313)	249	(5,477)	(5,152)	(324)	
Subsidised Network	3,357	12,644	(9,287)	1,704	11,439	(9,736)	449	(11,557)	(11,478)	(79)	
Accessible Transport	(282)	4,072	(4,354)	0	5,531	(5,531)	1,177	(4,772)	(6,637)	1,865	
	9,839	27,544	(17,705)	7,819	27,399	(19,580)	1,875	(21,806)	(23,267)	1,462	
Rail and Metro Services											
Metro Services	199	1,746	(1,547)	160	2,238	(2,078)	531	(4,444)	(2,579)	(1,865)	
Rail Services	1,131	3,174	(2,043)	1,155	3,650	(2,494)	451	(2,986)	(2,904)	(82)	
	1,331	4,920	(3,590)	1,315	5,888	(4,573)	983	(7,429)	(5,483)	(1,946)	
Integration											
Safety and Security	615	1,344	(729)	557	1,618	(1,061)	332	(1,069)	(1,274)	204	
Passenger Information	12,292	16,723	(4,431)	808	5,907	(5,099)	668	(5,526)	(6,007)	480	
Sustainable Travel	743	2,745	(2,002)	1,072	2,228	(1,155)	(847)	(2,506)	(1,401)	(1,105)	
	13,651	20,813	(7,163)	2,438	9,753	(7,315)	153	(9,102)	(8,682)	(420)	
Network Resilience											
Commonwealth Games	555	2,433	(1,878)	3	2,632	(2,629)	751	(3,072)	(3,181)	108	
Business and Democratic Support	3,928	3,928	(0)	3,991	3,991	0	(0)	0	(0)	0	
Strategic Development	0	2,922	(2,922)	0	3,074	(3,074)	152	(3,736)	(3,809)	73	
Transport Governance	1,063	4,321	(3,257)	1,318	4,549	(3,231)	(27)	(4,015)	(3,915)	(100)	
Capital Finance Charges	0	106	(106)	0	109	(109)	3	(129)	(131)	3	
	0	7,145	(7,145)	0	7,145	(7,145)	0	(8,874)	(8,874)	0	
TOTAL EXPENDITURE	30,500	123,545	(93,045)	16,972	116,681	(99,709)	6,664	(114,883)	(119,415)	4,532	
NET after Ear Marked Reserves	127,726	123,545	4,182	116,462	116,681	(219)	4,401	5,712	0	5,712	
Ear Marked Reserve (2022/23 Budget Support)	0	0		0	0			(3,600)	0	(3,600)	
Ear Marked Reserve (2022/23 Transport Risks)	0	0		0	0			(2,100)	0	(2,100)	
NET after Ear Marked Reserves	127,726	123,545	4,182	116,462	116,681	(219)	4,401	12	0	12	

At the end of January 2022 there is a £4.401m favourable year to date variance against budget.

A refresh of the full year forecast was undertaken during January and the position now reflects the expected outcome by year end. Notably, the full extent of the expected savings within Concessions budgets and the additional Metro power costs are reflected in this latest forecast. This produces a predicted surplus of £5.7m by year end, of which, £3.6m will be required to support the 2022/23 Transport base budget (as agreed by WMCA Board in February) with a further £2.1m being earmarked to protect against specific Transport risks, particularly relating to the operational Network.

Concessions

At this stage of the year, there is considered to be sufficient certainty to release the full extent of the expected savings, meaning the full year position has moved favourably. The driver behind the saving relates to the ENTCS budget and the reduced services despite the Authority paying at pre-Covid patronage levels 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.

The Subsidised Bus full year position reflects additional support that is expected to be required by operators in the last quarter of the year. This area is a key area of risk for the 2022/23 budget and the position continues to be monitored closely.

Within Bus Stations and Infrastructure budgets there is increased Advertising Revenue alongside savings against cleaning and staffing budgets which have contributed to the current favourable variance. These savings are partly offset by reduced departure charges and increased maintenance costs. A prudent view has been taken regarding the full year position, with maintenance costs in particular expected to be higher than budget.

Rail & Metro

Within Metro lower insurance premiums, reduced engineering support for utility works and the timing of life cycle works are reflected in the savings to date.

The adverse forecast position reflects guidance received from our operator Midland Metro Limited that we are experiencing unprecedented additional pressure from increasing energy costs.

The Rail position to date reflects reduced rates at park and ride locations, alongside staffing variations. In the full year these savings are expected to be negated by lower car park receipts.

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 along with savings against British Transport Police costs.

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 January and a contribution to capital to fund pedal and e-bikes, docking stations and project support costs, all within the existing scheme.

These year to date variations are reflected in the full year forecast.

Network Resilience

The year to date position is primarily driven by staffing variations alongside the profiling of external advice spend. The full year position reflects staffing resource required to the end of the year and the reprofiled external advice expenditure.

Reserves

Reserves earmarked to support the delivery of the West Midlands Cycle Hire scheme have been drawn down to offset the lower than budgeted income and contribution to capital to date. Reserves earmarked to support the 2021/22 Transport Budget have not been drawn down to date but are still expected to be drawn in year.

Appendix 3

West Midlands Combined Authority Delivery Budget – January 2022

FINANCIAL SUMMARY AS AT JANUARY 2022	JANUARY 2022 YEAR TO DATE			FULL YEAR 2021/22			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Operational Income							
Mayoral Capacity Funding	195	195	0	234	234	0	
Investment Interest Income	250	250	0	300	300	0	
Notional Interest Receivable	411	411	0	494	494	0	
Contribution - 7 Met Council's	3,870	3,870	0	4,644	4,644	0	
Contribution - Non constituent members	354	354	0	425	425	0	
Use of Reserves (1)	0	1,000	(1,000)	1,200	1,200	0	(1) Use of reserves to support the 21/22 budget not yet drawn down.
Total Income	5,080	6,080	(1,000)	7,297	7,297	0	(2) Efficiency target held centrally as part of the budgeting process.
Efficiency Savings Target (2)	0	554	(554)	166	665	(499)	
Enabling Services	(1,605)	(1,605)	0	(2,447)	(2,727)	280	
Total Expenditure	(1,605)	(1,051)	(554)	(2,281)	(2,062)	(219)	
Operational Income Net Total	3,475	5,029	(1,554)	5,016	5,235	(219)	
Economy & Innovation							
Other Industrial Strategy Income (1)	2,070	596	1,474	2,313	692	1,621	
DDCMS - Creative Scale Up	245	181	64	237	217	20	
MHCLG - Brexit Support Preparations (2)	105	0	105	105	0	105	
Create Central Projects	417	348	69	489	432	57	
Policy and Programme Development	32	0	32	94	0	94	
IAWM	96	0	96	120	0	120	
Office of Data Analytics	136	209	(73)	147	252	(105)	
Total Income	3,101	1,334	1,767	3,505	1,593	1,912	(1) Funding received from DBEIS to deliver the Made Smarter project and from the Investment Programme to support the West Midlands Innovation Programme. Offset by associated increases in expenditure.
Industrial Strategy	(2,339)	(933)	(1,406)	(2,632)	(1,099)	(1,533)	
DDCMS - Creative Scale Up	(245)	(181)	(64)	(237)	(217)	(20)	
MHCLG - Brexit Support Preparations	(105)	0	(105)	(105)	0	(105)	(2) Additional grant for Brexit support offset by associated an increase in expenditure.
Create Central Projects	(477)	(408)	(69)	(561)	(504)	(57)	
Policy and Programme Development	(258)	(309)	51	(399)	(370)	(29)	
IAWM	(96)	0	(96)	(120)	0	(120)	
Office of Data Analytics	(136)	(209)	73	(147)	(252)	105	
Economic Intelligence	(212)	(201)	(11)	(212)	(240)	28	
Funding For Growth	(583)	(583)	0	(700)	(700)	0	
Total Expenditure	(4,451)	(2,824)	(1,627)	(5,113)	(3,382)	(1,731)	
Economy & Innovation Net Total	(1,350)	(1,490)	140	(1,608)	(1,789)	181	
Environment & Energy, HS2							
Environment (1)	161	0	161	165	0	165	(1) WM2041 funding received but not budgeted in year.
Community Green (2)	17	0	17	25	0	25	
Total Income	178	0	178	190	0	190	(2) Additional income received to fund Retrofit consultancy services and delivery of Green Homes project. Offset by associated increase in expenditure.
Environment	(307)	(325)	18	(515)	(358)	(157)	
Community Green	(17)	0	(17)	(25)	0	(25)	
Total Expenditure	(324)	(325)	1	(540)	(358)	(182)	
Environment & Energy, HS2 Net Total	(146)	(325)	179	(350)	(358)	8	
Housing and Land							
Director of Housing & Regeneration	1,016	1,167	(151)	1,374	1,400	(26)	
Total Income	1,016	1,167	(151)	1,374	1,400	(26)	Substantial savings on external advice where expertise has been brought in house partly offset by an increase in rates for sites acquired for capital development and by the associated reduction in grant drawdown.
Director of Housing & Regeneration	(1,016)	(1,167)	151	(1,374)	(1,400)	26	
Total Expenditure	(1,016)	(1,167)	151	(1,374)	(1,400)	26	
Housing and Land Net Total	0	0	0	0	0	0	
Wellbeing							
Other Mental Health Income (1)	322	131	191	350	158	192	(1) Midlands Engine grant funding which is funding key posts within the programme.
IPS Programme	135	127	8	165	153	12	
Fiscal Incentive Programme (2)	238	556	(318)	407	664	(257)	
Total Income	695	814	(119)	922	975	(53)	(2) Changes in delivery priorities and reduced marketing spend along with staffing variations have required lower grant drawdown.
Wellbeing and Prevention	(580)	(593)	13	(799)	(685)	(114)	
Well Being	0	0	0	0	0	0	
IPS Programme	(136)	(127)	(9)	(165)	(153)	(12)	
Fiscal Incentive Programme	(238)	(556)	318	(407)	(664)	257	
Total Expenditure	(954)	(1,276)	322	(1,371)	(1,502)	131	
Wellbeing Net Total	(259)	(462)	203	(449)	(527)	78	

FINANCIAL SUMMARY AS AT JANUARY 2022	JANUARY 2022 YEAR TO DATE			FULL YEAR 2021/22			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Public Service Reform & Social Economy							
Mayoral Capacity Funding	0	0	0	0	0	0	(1) Re-profiling of activity relating to the establishment of an Inclusive Growth Task Force and the Social Economy Business Plan initiatives alongside establishment savings. (2) Delivery of Community Recovery projects have been re-profiled to later in the year.
Other PSR Income	0	0	0	0	0	0	
Inclusive Growth	15	0	15	15	0	15	
Homelessness	600	567	33	699	581	118	
Total Income	615	567	48	714	581	133	
Inclusive Growth and Public Sector Reform	(263)	(209)	(54)	(313)	(251)	(62)	
Inclusive Growth (1)	(95)	(326)	231	(329)	(358)	29	
Public Service Reform (2)	(157)	(338)	181	(332)	(374)	42	
Homelessness	(600)	(567)	(33)	(699)	(581)	(118)	
Total Expenditure	(1,115)	(1,440)	325	(1,673)	(1,564)	(109)	
Public Service Reform & Social Economy Net Total	(500)	(873)	373	(959)	(983)	24	
Skills and Productivity							
Productivity and Skills	145	61	84	197	73	124	(1) Lower delivery than budgeted as a result of reduced footfall and referrals due to Covid-19, with spend re-profiled for later in the year. Offset by associated reduction in grant drawdown. (2) Payments to and delivery by providers has been impacted by Covid, thus requiring lower grant drawdown. Any savings will be used to fund other initiatives. (3) Funding agreed after the budget was set. Offset by associated reduction in grant drawdown. (4) Accelerated Learning & Development spend expected in last quarter of the year
Employment Support (1)	834	1,330	(496)	971	1,379	(408)	
Technical Education	36	41	(5)	46	41	5	
Construction Skills	7	0	7	7	0	7	
Adult Education (2)	108,162	123,833	(15,671)	128,257	142,698	(14,441)	
Careers	53	51	2	71	72	(1)	
Digital Skills	2,377	1,665	712	3,050	1,691	1,359	
Investment Programme (Skills)	316	268	48	396	308	88	
Commonwealth Games (3)	274	0	274	358	0	358	
European Structural & Investment Funding	0	0	0	160	0	160	
Total Income	112,204	127,249	(15,045)	133,513	146,262	(12,749)	
Productivity and Skills	(605)	(647)	42	(862)	(776)	(86)	
Employment Support	(834)	(1,330)	496	(971)	(1,379)	408	
Technical Education	(36)	(41)	5	(46)	(41)	(5)	
Construction Skills	(7)	0	(7)	(7)	0	(7)	
Adult Education	(108,162)	(123,833)	15,671	(128,257)	(142,698)	14,441	
Careers	(53)	(51)	(2)	(71)	(72)	1	
Digital Skills	(2,378)	(1,665)	(713)	(3,050)	(1,691)	(1,359)	
Investment Programme (Skills)	(316)	(268)	(48)	(396)	(308)	(88)	
Commonwealth Games	(274)	0	(274)	(358)	0	(358)	
European Structural & Investment Funding	0	0	0	(160)	0	(160)	
Total Expenditure	(112,665)	(127,835)	15,170	(134,178)	(146,965)	12,787	
Continuous Improvement							
Continuous Improvement & Change	(318)	(309)	(9)	(371)	(371)	0	
Learning and Development	(133)	(205)	72	(297)	(246)	(51)	
Building Our Future Workforce	23	(13)	36	0	(16)	16	
Total Expenditure	(428)	(527)	99	(668)	(633)	(35)	
Skills and Productivity Net Total	(889)	(1,113)	349	(1,333)	(1,336)	41	
Culture and Digital							
Culture	25	0	25	25	0	25	(1) Over-spend within Digital due to Seconded costs and activity to support people who are digitally excluded.
Total Income	25	0	25	25	0	25	
Culture	(85)	(60)	(25)	(115)	(74)	(41)	
Digital (1)	(149)	(92)	(57)	(149)	(100)	(49)	
Total Expenditure	(234)	(152)	(82)	(264)	(174)	(90)	
Culture and Digital Net Total	(209)	(152)	(57)	(239)	(174)	(65)	
Inclusive Communities							
Youth Combined Authority	(26)	(34)	8	(78)	(68)	(10)	
Total Expenditure	(26)	(34)	8	(78)	(68)	(10)	
Inclusive Communities Net Total	(26)	(34)	8	(78)	(68)	(10)	
Operational Income Net Total	96	580	(484)	0	0	0	

Appendix 5

West Midlands Combined Authority Transport Delivery Capital Programme – January 2022

	YEAR TO DATE - JANUARY			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Metro	104,874	151,543	46,669	145,950	200,086	54,136
Rail	7,141	13,756	6,615	11,392	24,326	12,934
Sprint	300	4,587	4,287	779	4,662	3,883
TRANSPORT - INVESTMENT PROGRAMME	112,315	169,886	57,571	158,121	229,074	70,953

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2022, actual expenditure was £57.6m lower than budget. The main variances are contained within the Metro Programme, these relate to the following:

Metro Birmingham Eastside Ext £22m

The variance is due to rescheduled HS2 utility work and works around Digbeth High St have now been rescheduled to commence after the Commonwealth Games.

Metro Wednesbury to Brierley Hill Ext £16.2m

This is due to a combination of re-phased utilities works as a result of the co-ordination of enabling works and traffic management, and rephased construction. Tram acceptance has also been phased later than originally budgeted.

Rail Walsall to Wolverhampton £5.1m

The project team have commenced the process to obtain a Compulsory Purchase Order to make a land acquisition, discussions around which have impacted physical construction timetable.

Sprint – Hagley Road Phase 1 £4m

The timing of approval of a Traffic Regulation Order has led to re-phasing of work.

Rail – Camp Hill Line Local Enhancements £1.5m

This is due to an incomplete land acquisition and related costs that have now been rephased.

FORECAST V BUDGET VARIANCE COMMENTARY

Wednesbury to Brierley Hill Ext £29.4m

Construction profiles have been rephased. Site acquisition costs have also been deferred to allow for the review of site owner claims for acquired land.

Birmingham Eastside Ext £17.9m

The variance is due to the timing of HS2 utility work and works around Digbeth High St have now been rescheduled to commence after the Commonwealth Games.

Rail - Walsall to Wolverhampton Package 1 £8.1m

There has been a revision to the project programme within the year to accommodate the timing of land acquisition.

Rail – Camp Hill Line Local Enhancements £4.9m

Construction costs and related fees have been rescheduled into 2022/23 due to the timing of awarding the construction contract for this project.

Sprint – Hagley Road Phase 1 £3.6m

The timing of approval of a Traffic Regulation Order has led to re-phasing.

Metro Edgbaston Extension £2.7m

The timing of approval of a Traffic Regulation Order has led to re-phasing.

	YEAR TO DATE - JANUARY			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Highway	3,564	7,575	4,011	5,074	10,614	5,540
Other	25,000	17,889	(7,111)	25,000	23,000	(2,000)
Rail	36,376	46,112	9,736	47,801	57,865	10,064
Sprint	32,857	54,587	21,730	54,913	62,708	7,795
TRANSPORT - COMMONWEALTH GAMES	97,797	126,163	28,366	132,788	154,187	21,399

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2022, actual expenditure was £28.4m under budget. The main variances are as follows:

Sprint – A45 Birmingham to Airport and Solihull £12.6m

Construction and utilities works are expected to accelerate at the end of the year and into Q1 of 22/23 with completion expected in July 2022 before the Games begin.

Sprint – A34 Walsall to Birmingham £9.1m

Construction work has commenced on all four 'packages' within this project across Sandwell, Walsall and Birmingham City Council areas. No significant annual variance is expected, and completion is expected before Games begin in July 22.

University Station Improvement Project £7.9m

There have been changes in the profile of delivery and utilisation of cladding materials for the station.

RTCC – Highway Interventions £2.4m

Claims from local authorities have been lower than forecasted and the contingency of £0.75m has not been utilised.

Alexander Stadium Redevelopment (£7.1m)

Construction work is being undertaken, the overspend is a representation of accelerated drawdown of WMCA funding not an increase to WMCA's agreed commitment.

FORECAST V BUDGET VARIANCE COMMENTARY

University Station Improvement Project £8.2m

The construction programme has been rephased and activity has now been scheduled for Q1 of 2022/23.

Sprint – A45 Birmingham to Airport and Solihull £6.2m

This is due to utilities and construction work delays stemming from Covid-19 restrictions at the beginning of the year, as noted above, work is expected to accelerate in Q1 of 22/23.

RTCC – Highway Interventions £3.7m

Funding agreements have not yet been finalised so forecasted claims have not materialised.

Perry Barr Rail Station £1.9m

Construction costs around the Bus Interchange phase of the project have been moved into 2022/23.

Sprint – A34 Walsall to Birmingham £1.6m

There has been a re-profiling of utilities work and physical construction work from the beginning of the year due to the pandemic and also impacted by availability of resources.

Alexander Stadium Redevelopment (£2m)

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

	YEAR TO DATE - JANUARY			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus	10,559	20,634	10,075	15,300	24,258	8,958
Highway	2,059	4,017	1,958	3,748	5,362	1,614
Other	5,352	7,823	2,471	7,344	9,905	2,561
Rail	136	250	114	244	250	6
Sprint	144	197	53	197	197	0
TRANSPORT - OTHER MAJOR PROGRAMMES	18,250	32,921	14,671	26,833	39,972	13,139

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2022, actual expenditure was £14.7m below budget. The main variances are as follows:

Cross City Bus – City Centre Package £3.5m

The timing of approval of a Traffic Regulation Order has led to re-phasing of work.

Dudley Interchange £2.8m

Various agreements required to progress this project are expected to be fully agreed by the end of February. Final due diligence is now taking place to approve the preferred contractor for construction work to commence in the coming months.

Coventry Electric Bus City £2.8m

The project team are working closely with the Operator to ensure appropriate evidence is presented in order to release payment for the next milestone.

Future Mobility Zone – Transport Network Data £0.9m

The timing of development of the survey system has led to a re-profiling of spend. The main activity within the project is still in the planning stage of developing the software.

A435 Alcester Road Bus Prioritisation £0.9m

A Traffic Regulation Order has been sought from the relevant local authority after which physical construction can begin.

Future Mobility Zone – Innovation Showcases £0.6m

This is driven by lower support costs for the University of Warwick who are studying student and staff attitude to travel post Covid through questionnaires. This activity is expected to continue throughout the remainder of the year.

FORECAST V BUDGET VARIANCE COMMENTARY

Dudley Interchange £4.7m

The timing of a Compulsory Purchase Order, which is required to make a land acquisition, has resulted in a revision of the forecast spend.

Cross City Bus – City Centre £3.6m

The timing of approval of a Traffic Regulation Order has led to re-phasing of work.

Future Mobility Zone – Transport Network Data £1.1m

The timing of software development within this project has changed. £0.5m expected costs to maintain this scheme have been postponed while a replacement to a previous contractor is found.

Future Mobility Zone – Enabling Data Exploitation £0.9m

The tender process to develop an app supporting all transport needs is in progress, after which development of the app can commence.

A435 Alcester Road Bus Prioritisation £0.9m

A Traffic Regulation Order has been sought from the relevant local authority after which physical construction can begin.

	YEAR TO DATE - JANUARY			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Minor Work Programme	8,357	10,173	1,816	11,648	12,536	888
TRANSPORT - MINOR WORKS	8,357	10,173	1,816	11,648	12,536	888

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2022, actual expenditure was £1.8m below budget. The main variances are as follows:

Priority One Development Workstream £0.7m

Q1 and Q2 Local Authority claims were lower than budgeted and a change request has been submitted to change the delivery schedule for the schemes under this project.

Better Streets Community Fund £0.4m

Local Authority claims were lower in Q1 and Q2 than expected due to resources being diverted to other LA schemes.

Asset Management Programme £0.2m

Variance primarily relates to the delay in completing lighting upgrades at various bus stations and park and rides. Remaining variance relates to the rephasing of the upgrades to the Help Point systems. These have now commenced and are expected to complete by the end of the financial year.

FORECAST V BUDGET VARIANCE COMMENTARY

Better Streets Community Fund £0.4m

Mainly due to extension given to Local Authority schemes, resulting in rephasing of costs into 2022/23.

Priority One Development Workstream £0.1m

Minor reprofiling of the programme management requirements.

Asset Management Programme £0.1m

The bus shelter upgrade programme has been carried over to 22/23.

Priority One Delivery – Binley Road Coventry £0.1m

This is due to a £0.1m change request phasing expenditure into 22/23.

West Midlands Combined Authority Transport Capital Programme Grants to Local Authorities – January 2022

	YEAR TO DATE - JANUARY			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Grants to Local Authorities	5,009	7,866	2,857	9,187	7,866	(1,321)
Total Grants to Local Authorities	5,009	7,866	2,857	9,187	7,866	(1,321)

ACTUAL V BUDGET VARIANCE COMMENTARY

New St/High St/Victoria Sq Public Realm £2.2m

There has been a change in the scope of works planned for delivery.

B4106 Spon End - Coventry CC £0.7m

This is due to land acquisitions not yet complete. They are in the final stages of agreement and are expected to complete by the end of the financial year.

FORECAST V BUDGET VARIANCE COMMENTARY

B4106 Spon End - Coventry CC (£1.7m)

Construction work is expected to accelerate and complete by year end.

West Midlands Combined Authority Capital Programme Investment Programme Grants to Local Authorities – January 2022

	YEAR TO DATE - JANUARY			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	46,119	66,637	20,518	67,176	92,295	25,119
Total Investment Programme Grants to Local Authorities	80,790	135,150	98,764	67,176	92,295	25,119

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2022, actual expenditure was £20.5m under budget.

UK Central HS2 Interchange £8.3m

This variance reflects the formally altered spend schedule of the Birmingham International Station and Roundabout Over-Trace schemes within this project.

UK Central Infrastructure Package £4.9m

The programme is made up of 26 components with underspends across them. The main cause of this variance is the rephased completion of property acquisitions.

Coventry UKC Plus – Coventry South Package £4.6m

Variance is mainly due to A46 Link Road Phase 1 workstream. Due to the timing of utility works, the completion date of this scheme has been rephased to December 2022.

Coventry Friargate Business District £4.6m

Variance is mainly due to rephased construction, plot acquisition and infrastructure costs. These have subsequently reduced professional fees as these are calculated as a percentage of construction.

FORECAST V BUDGET VARIANCE COMMENTARY

Coventry South Package £6.8m

The drawdown of WMCA funding for the A46 Link Road Phase 1 scheme is now expecting to begin in January 22, going into 22/23.

UK Central HS2 Interchange £6.7m

This is made up of the formal rephasing of the Roundabout Over Trace scheme (£4.7m) and the HS2 Parallel Design Process (£1m) and Hub Movement and Connectivity (£1.6m).

Coventry Friargate Business District £6.6m

Variance is mainly due to rephased construction, plot acquisition and infrastructure costs. These have subsequently reduced professional fees as these are calculated as a percentage of construction.

UK Central Infrastructure Package £4.3m

This is made up of several project streams, which have seen rephasing from the current year to next year. This is due to funding and legal agreements which have taken longer than initially anticipated.

West Midlands Combined Authority Housing Capital Programme – January 2022

	YEAR TO DATE - JANUARY			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Housing	25,323	50,414	25,091	31,999	58,578	26,579
Total Housing	25,323	50,414	25,091	31,999	58,578	26,579

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2022, actual expenditure was £25.1m under budget.

Brownfield Housing Fund – Pipeline £7.8m A selection of pipeline projects have not been realised through approval and go live. The forecast has been updated to reflect this.

Black Country Land and Property Investment Fund (LPIF) £4.7m

The variance is split across the following workstreams, Iron Park Moxley (£2.2m), i54 Western Extension (£1.2m) and Phoenix 10 (£0.9m).

BLPDF £3.4m

The variance is made up of several components. Of the underspends, £0.9m under on Pipe Hall due to ongoing work to determine the best value route for remediation works, £2.6m under on Shard End which has not commenced due to ongoing landfill tax related discussions. These are offset by year-to-date overspends, the largest being £0.6m on Shidas Lagoon due to an acceleration of works.

Land Fund – Pipeline £3m

The original budget made assumed that drawdowns would be made for Icknield Port Loop, which has not occurred.

Land Fund – Icknield Port Loop Phase 2a and 2b £1m

Construction has slowed down due to availability of construction material.

Land Fund – Pipeline £1.2m

Not all schemes are now forecasted to commence this year.

FORECAST V BUDGET VARIANCE COMMENTARY

Brownfield Housing Fund Pipeline £6.9m

Forecast reflects projects which are expected to be approved by the end on 21/22.

Black Country Land and Property Investment Fund (LPIF) £5.9m

Schemes funded from the LPIF have been rephased, pushing the drawdown schedule into 22/23.

BLPDF £3.9m

Several schemes funded by BLPDF have been rephased resulting in drawdowns of funding being pushed back to 2022/23.

Land Fund- Pipeline £2.5m

The latest assumption is that only a small number of projects will go live in Q4, with a majority progressing into 2022/23.

NCF Pipeline £1.1m

More detailed assumptions about the timing of pipeline projects are now known.

Appendix 6 – WMCA Administered Funds – January 2022

Funding Stream	2021/22 Full Year Grant Award £'000	2021/22 Spend to Date £'000	Purpose
Midlands Connect	6,238	3,851	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
Getting Building Fund	33,000	33,000	Investment in local infrastructure projects to stimulate jobs and support economic recovery. The WMCA is the accountable body with funding allocated to the 7 Mets and 3 LEPs.
Housing First Pilot	9,600	9,600	WMCA are the accountable body for this grant award that has now been paid to Birmingham City Council to develop work streams to help rough sleepers off the streets
One Public Estate	926	926	It was agreed by WMCA Board that WMCA would assume accountable body status for this grant award, that is delivering various projects that secure more from public sector assets through collective action.
Highways Maintenance Block	9,043	9,043	Distributed to the 7 Mets. excluding Birmingham City Council which has separate PFI arrangements, to deliver programmed highways maintenance works in line with the conditions of the grant award
Integrated Transport Block	17,755	14,838	Supporting delivery of the 7 Mets. Capital Programmes & WMCA's Minor Works Capital Programme
Total	76,562	71,258	

Appendix 7

Total Regional Investment Programme Expenditure as at 31st December 2021

PROGRAMME	2021 / 2022 YEAR TO DATE			2021 / 2022 FULL YEAR			COST TO COMPLETION					
	BUDGET	ACTUAL	VARIANCE	BUDGET	FORECAST OUTTURN	VARIANCE	PRIOR PERIOD SPEND	2021 / 2022 FORECAST	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN	TOTAL EXPECTED BUDGET	VARIANCE
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
COVENTRY UKC PLUS	60,277	47,012	13,265	73,859	66,296	7,562	129,607	66,296	519,504	715,407	711,862	(3,544)
SPRINT PROGRAMME	54,251	30,967	23,284	66,844	60,091	6,753	30,376	60,091	238,593	329,060	329,067	6
RAIL PROGRAMME	24,867	16,555	8,312	41,158	33,471	7,687	23,058	33,471	158,714	215,243	215,244	1
METRO PROGRAMME	114,998	84,985	30,013	178,088	158,033	20,055	359,111	158,033	1,162,308	1,679,452	1,664,977	(14,475)
UK CENTRAL INFRASTRUCTURE PACKAGE	8,592	4,672	3,920	61,747	51,325	10,422	80,741	51,325	1,261,151	1,393,216	1,386,153	(7,063)
UK CENTRAL HS2 INTERCHANGE	10,199	4,086	6,113	19,391	9,421	9,969	27,484	9,421	495,823	532,728	530,023	(2,705)
HS2 GROWTH STRATEGY TOTAL	273,185	188,277	84,907	441,086	378,638	62,448	650,377	378,638	3,836,092	4,865,107	4,837,326	27,780
COVENTRY CITY CENTRE SOUTH REGENERATION	11,457	9,154	2,303	26,000	22,963	3,037	37,675	22,963	273,827	334,465	329,851	(4,614)
INNOVATION PROGRAMME	8,491	9,869	(1,378)	12,657	14,590	(1,933)	23,554	14,590	156,855	194,999	194,999	(0)
LAND RECLAMATION AND REMEDIATION	13,303	7,489	5,814	20,874	11,035	9,839	46,018	11,035	142,947	200,000	200,000	(0)
COMMONWEALTH GAMES 2022	23,477	32,069	(8,592)	33,092	43,487	(10,395)	31,690	43,487	5,320	80,497	72,534	(7,963)
EMPLOYMENT, EDUCATION & SKILLS	247	286	(39)	308	396	(87)	647	396	18,957	20,000	20,001	1
BUSINESS AND TOURISM PROJECT - BATP	8,125	6,912	1,213	10,834	10,834	(0)	1,573	10,834	11,541	23,948	23,948	(0)
COVENTRY ELECTRIC BUS CITY	1,772	142	1,630	4,917	4,937	(20)	10	4,937	134,553	139,500	139,500	-
REGIONAL RECOVERY & RISKS	1,979	1,618	361	17,028	12,373	4,654	-	12,373	37,177	49,550	53,750	4,200
COLLECTIVE INVESTMENT FUND	28,177	19,296	8,881	40,479	34,674	5,806	60,628	34,674	904,699	1,000,000	1,000,000	-
OTHER INVESTMENT PROGRAMME SCHEMES	97,027	86,835	10,192	166,189	155,289	10,901	201,794	155,289	1,685,876	2,042,959	2,034,583	8,376
GRAND TOTAL	370,212	275,112	95,100	607,275	533,926	73,349	852,170	533,926	5,521,969	6,908,066	6,871,910	36,156

West Midlands Region Investment Programme Financial Commentary

Period Ending 31st December 2021

Commentary concerning specific programme-level variances is provided below:

Metro Programme (£30.0m)

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

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

For the Wednesbury to Brierley Hill extension, construction work has been re-phased pending delivery and approval of Target Cost 2. Utilities works have been rephased and are due to commence after completion of enabling works.

Coventry UKC Plus (£13.3m)

The year-to-date variance observed for the Coventry UKC Plus programme has resulted from the A46 Link Road Phase 1 (£8.2m), Coventry Station Masterplan (£2.5m), Coventry Very Light Rail (£1.7m) and UK City of Culture 2021 Regeneration (£0.9m) projects.

For the A46 Link Road Phase 1, earthworks are progressing well. The year-to-date variance observed of £8.2m is due to poor weather conditions within Q1 21-22, materials supply issues and the impact of COVID-19.

For Coventry Station Masterplan, on site works have continued at pace, and construction is nearing completion. Defect and snagging works are currently being undertaken, and are expected to be complete within the coming weeks ahead of the final statutory Entry into Service Process. Some of the year-to-date variance is in respect of the Footbridge and Canopies work stream, affected by weather conditions and equipment availability. It is expected that all elements of the project will be opened together.

The Coventry Very Light Rail variance has been partially caused by issues with wiring looms, shipping and COVID-19 restrictions preventing travel for engineering staff within Q1 21-22. The demonstrator vehicle is on track to be delivered to Dudley for site acceptance in Q4 21-22.

The variance of £0.9m for the UK City of Culture Regeneration project, being 21 individual public realm and infrastructure improvement schemes throughout Coventry City Centre in preparation for UK City of Culture 2021, is primarily in respect of closing works on the Retail Quarter, Screens and Digital and Pool Meadow/White Street work streams. Work on the overarching project is expected to be completed within Q4 2021-22, and WMCA Investment Board is expected to receive a report on the project in the near future.

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

Sprint Programme (£23.3m)

The year-to-date variance for the Sprint programme is primarily in respect of the A34 Walsall to Birmingham and A45 Birmingham to Airport and Solihull schemes. On-site construction is in progress, and it is not anticipated that the year-to-date variances observed will result in a material change to the planned completion dates, as construction will accelerate during the remainder of the year and into Q1 22-23 to ensure completion in July 2022 prior to the Commonwealth Games.

The A34 Walsall to Birmingham scheme comprises four construction contracts across the Walsall Council, Sandwell Council and Birmingham Council regions. Construction on three of the contracts commenced as scheduled, while the fourth contract was re-profiled, resulting in a year-to-date variance. Construction work on this fourth contract is now also in progress, and no significant annual variance is expected in respect of this project.

Appendix 8

WMCA Investment Programme Commitments as at 31st January 2022

£m	Total Expected Approvals	Approved Commitments	Actual Spend (Dec-21)
Coventry UK Central Plus	288.1	94.8	80.4
Sprint Programme	217.4	47.0	25.1
Rail Programme	119.6	63.0	19.2
Metro Programme	222.8	222.8	100.6
UK Central Infrastructure Package	288.0	34.4	21.2
UK Central HS2 Interchange	398.0	63.0	30.2
SUB TOTAL HS2 GROWTH STRATEGY	1,533.9	525.1	276.6
Coventry City Centre South Regeneration	150.0	150.0	29.5
Innovation Programme	50.0	16.1	10.7
Land Reclamation and Remediation	200.0	103.0	53.5
Commonwealth Games 2022	25.0	25.0	25.0
Employment, Education & Skills	20.0	1.3	0.9
Business and Tourism Project - BATP	2.6	2.6	0.0
Coventry Electric Bus City	5.0	5.0	0.1
Regional Recovery & Risks	35.5	30.4	1.6
OTHER INVESTMENT PROGRAMME	488.1	333.4	121.3
TOTAL	2,022.0	858.5	397.9

Appendix 9 – WMCA Balance Sheet as at 31 January 2022

	31 January 2022 £'000	31 December 2021 £'000	Movement £'000
Property, plant and equipment	583,641	571,740	11,901
Intangible assets	1,262	1,295	(33)
Investments	20,122	17,006	3,116
Loan Receivables	15,612	15,612	-
Long-term assets	620,637	605,653	14,984
Short-term debtors	80,312	73,719	6,592
Short-term deposits	399,900	433,000	(33,100)
Cash and bank	603	46	557
Current assets	480,815	506,765	(25,950)
Loans - interest due	(2,073)	(1,702)	(371)
Short-term loans	2	2	-
Short-term creditors/accruals	(125,467)	(118,030)	(7,437)
Current liabilities	(127,538)	(119,730)	(7,808)
Net current assets	353,277	387,035	(33,759)
Provisions	(4,127)	(4,127)	-
Loans - PWLB	(263,078)	(263,235)	157
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(5,594)	(5,594)	-
Grants receipts in advance	(396,412)	(415,003)	18,591
Long-term liabilities	(679,211)	(697,959)	18,748
Net assets	294,703	294,730	(27)
General fund balance	6,615	5,537	1,078
Earmarked reserves	251,695	256,417	(4,722)
Capital grants unapplied reserve	1,841	1,841	-
Usable reserves	260,151	263,795	(3,644)
Revaluation reserve	6,304	6,306	(2)
Deferred capital grants account	616,227	604,357	11,870
Capital financing account	(584,561)	(576,310)	(8,251)
Financial Instruments Adjustment Account	(2,388)	(2,388)	-
Accumulated absences account	(1,030)	(1,030)	-
Unusable reserves	34,552	30,935	3,617
Total reserves	294,703	294,730	(27)

Pay Policy Statement

1. Introduction and Purpose

- 1.1. The purpose of this policy is to clarify West Midlands Combined Authority's strategic stance on pay in order to provide direction for members and officers making detailed decisions on pay and to provide the citizens of the West Midlands with a clear statement of the principles underpinning decisions on the use of public funds.
- 1.2. As defined in Sections 2 (6), (7) and (8) of the Local Government and Housing Act 1989, the Authority has the power to appoint officers on such reasonable terms and conditions, including remuneration, as the authority thinks fit. This Pay Policy Statement (the 'statement') sets out the Authority's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the Authority's approach to setting the pay of its employees by identifying;
 - the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
 - the Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the West Midlands Combined Authority and for recommending any amendments to the statement to the West Midland Combined Authority Board.
- 1.3. Once approved by the Board, the statement will come into immediate effect and will be published by no later than 1 April each year, subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

2. Legislative Framework

- 2.1. In determining the pay and remuneration of all of its employees, the West Midlands Combined Authority will comply with all relevant employment legislation. This includes, but is not an exhaustive list, the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
- 2.2. With regard to the Equal Pay requirements contained within the Equality Act, the West Midlands Combined Authority ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality-proofed job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

3. Pay Structure

- 3.1. The purpose of pay is to encourage staff with the appropriate skills to seek to work for the Authority and then to reward them appropriately for the tasks they undertake in order to maintain their motivation and retain their services.

- 3.2. Based on the application of job evaluation processes, the West Midlands Combined Authority uses the nationally negotiated pay spine as the basis for its local grading structure (known as the main salary scale). This determines the salaries of the majority of the workforce, together with the use of other nationally defined rates where relevant. The West Midlands Combined Authority's terms and conditions of employment for non-Chief Officers will be in accordance with collective agreements negotiated from time to time by the Passenger Transport Forum (PTF) for Passenger Transport Executive Staff set out in the Scheme of Salaries and Conditions of Service (Commonly known as the "Green Book") as amended or supplemented by such local collective agreements reached with trade unions recognised by the West Midlands Combined Authority, currently Unison. The association with the PTF is has been put under notice with the finalisation of the 2021-22 pending pay award. Application has been approved to join National Joint Council (NJC) for Local Government for future pay agreements.
- 3.3. In determining its grading structure and setting remuneration levels for all posts, the West Midlands Combined Authority takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 3.4. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate when a higher skill level and/or experience are applicable. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the West Midlands Combined Authority will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources.

4. Market supplements

- 4.1. The Authority has a policy to offer market supplements in instances where the substantive grade of the post is insufficient to attract or retain post holders in skill shortage areas, based on evidence of recruitment and retention difficulties. The Market supplement has been defined in the form of 2 additional increments added to the main salary scale, or it will consider the use of temporary market forces supplements in accordance with its relevant policies.

5. Senior Management Remuneration

- 4.1. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2021. Salaries quoted are based on the full time equivalent (FTE) of 36.5 hours per week. The table lists the 72 chief officer posts that make up 9.88% of the 729* people employed by the West Midlands Combined Authority.

**Refers to the staffing count as at 1st March 2022 which includes all permanent, temporary and casual employees*

Title	Grade	Minimum	Maximum
Chief Executive	1 post	£175,000.00	£200,500.00

Title - Executive Directors	Grade	Minimum	Maximum
Director of Economic Delivery, Skills & Communities Director of Finance & Business Hub Director of Housing, Property and Regeneration Director of Strategy, Integration & Net Zero Director of Transport for West Midlands	Directors (5 posts)	£120,000.00	£145,000.00

Title - Operational Directors	Grade	Minimum	Maximum
Director of Commercial and Investment Director of Customer Experience Director of Integrated Transport Service Director of Network Resilience Director of Policy Strategy & Innovation Director of Rail and WMRE Director of Strategic Partnerships and Delivery Integration Director of Employment and Skills Delivery Director of Communicators WMM Projects Director	Operational Directors (10 posts)	£80,000.00	£130,000.00

Title - SLT Direct Report	Grade	Minimum	Maximum
CWG Technical Director Cycling and Walking Commissioner Director- Energy Capital Head of Implementation: PSR and Prevention Head of Major Programmes (Finance) Head of Mayoral Policy and Delivery Head of the Chief Executive's Office Strategic Head of Digital and Data	SLT Direct Report (8 posts)	£80,000.00	£110,000.00

Title - Head Of Service	Grade	Minimum	Maximum
Head of Bus Head of Business and Partnerships Head of Business Planning, Performance & Transformation Head of Continuous Improvement and Change Head of Customer Experience Head of Cycling and Walking Head of Economy Policy Head of Employment offer Head of Environment & Net Zero Head of Finance Business Partnering & Strategic Planning Head of Financial Management Head of Health & Communities Head of Innovation and insight for skills and economy Head of Mayoral Operations Head of Network Transformation Head of Operational Assets Head of People Head of Policy & Housing and Regeneratio Head of Procurement Head of Programme Assurance and Appraisal Head of Rail Delivery Head of Rail Development Head of Rail Development and Integration Head of Road Network Management &Traffic Head of Skills Development Head of Sprint Head of Sprint Delivery Head of Strategic Facilities Management and Building/ Estate service mgt Head of Structuring - Investment Head of Swift Head of Thrive Head of Transport Implementation Head of Transport Innovation Head of Transport Strategy and Planning Key Route Network Manager Senior Implementation Manager WMRE Head of Rail Programme	Head of Service (37 posts)	£60,000.00	£85,000.00

Title - SME (Subject Matter Expert)	Grade	Minimum	Maximum
CWG Head of Spectator Transport CWG Senior Program Manager Head of ICT Delivery Head of Park & Ride Programme Sponsor Programme Sponsor. WMRE Senior Development Manager Senior Development Manager Senior Implementation Manager (OPE) Systems Development Manager Strategic Lead Transport Intelligence	SME (Subject Matter Expert) (11 posts)	£60,000.00	£85,000.00

5.2 The roles and job titles detailed above represent a snapshot in time of currently filled posts and could change over the course of the year. All remuneration arising from any changes will, however, be compliant with the limits set as detailed above with any deviation to the policy requiring a supplementary approval by WMCA Board.

5.3 For information the main salary scale, covering the majority of the workforce, is shown in Appendix A.

5. Recruitment of Chief Officer Related Posts

- 1.1. The West Midlands Combined Authority's policy and procedures with regard to recruitment of chief officer related posts is set out within the Constitution which can be accessed [click here](#). The West Midlands Combined Authority shall appoint seven separate Members from the Constituent Councils, the Mayor and any other additional person as required, as members of the Employment Committee. When recruiting to all posts the West Midlands Combined Authority will take full and proper account of its own policies and procedures. The determination of the remuneration to be offered to any newly appointed chief officer related position will be in accordance with the pay structure and relevant policies in place at the time of recruitment. The agreement of pay and conditions for the Chief Executive and Chief Officers are in accordance with the Joint Negotiating Committee for Chief Officers of Local Authorities'. Where the West Midlands Combined Authority is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
- 1.2. Where the West Midlands Combined Authority remains unable to recruit to chief officer related posts under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive chief officer related post, the Authority will, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the West Midlands Combined Authority is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The temporary filling of a vacancy for a post of Chief Officer or Deputy Chief Officer will be reviewed after a period of no more than 12 months.

2. Additions to Salary of Chief Officer Related Posts

- 2.1. The West Midlands Combined Authority does not normally apply any bonuses or performance related pay to its chief officer related posts. Chief Officers are currently employed on a fixed salary with no incremental scale. Where additional responsibility is undertaken, the Authority may apply an honorarium reflective of the additional duties undertaken.

3. Payments on Termination

- 3.1. The West Midlands Combined Authority's approach to discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended).
- 3.2. The circumstances of each individual redundancy case will be assessed, each specific case will be judged equally and fairly on its own merits.

For redundancy payment purposes the following applies to all post holders:

- All continuous service with local authority and other bodies specified by *The Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order*, as amended, counts towards the entitlement to and calculation of a payment. Any service already taken into account by a Scheme employer in calculating compensation under these or similar Regulations will be excluded.
- No employee may receive a redundancy payment in a sum greater than their current annual salary as at the date of redundancy. (This excludes any payment for pay in lieu of notice).
- Statutory or enhanced redundancy pay will be paid to those with over 2 years continuous employment. Payment for each week's pay will be calculated on the number of statutory

weeks, based on an employee's age and length of employment. Length of service is capped at 20 years.

- A week's pay for the calculation of the enhanced redundancy payment shall be the actual amount of a week's pay based on the annual salary as at the date of redundancy. To calculate the enhanced redundancy payment this shall be multiplied by a factor of 1.75.

1.1. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the West Midlands Combined Authority or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

2. Publication

2.1. Upon approval by the West Midlands Combined Authority Board, this statement will be published on the West Midlands Combined Authority's website.

2.2. In addition, the West Midlands Combined Authority's Annual Statement of Accounts will include a note setting out the number of staff whose total remuneration is at least £50,000 and for chief officer posts it will show the amount of

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- employer's contribution to the person's pension;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above.

3. Lowest Paid Employees

3.1. The West Midlands Combined Authority has adopted the principle to pay the UK Real Living Wage. The lowest paid persons employed under a contract of employment with the West Midlands Combined Authority are employed in accordance with the minimum spinal column point currently in use within the Authority's grading structure. As at 1st April 2021 this is £20,291 per annum and is 7 points higher than the main pay spine minimum and 3 points higher than the UK Real Living Wage minimum in the spinal column. West Midlands Combined Authority have obtained living wage foundation accreditation. Any changes to the Real Living Wage hourly rate will be implemented from the 1st April each year.

3.2. The West Midlands Combined Authority employs Apprentices who are not included within the definition of 'lowest paid employees' as the terms and conditions are determined by the National Apprenticeship Service. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

3.3. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay

through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that “it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector”. The West Midlands Combined Authority accepts the view that the relationship to median earnings is a more relevant measure and the Government’s Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority’s workforce.

- 3.4. The current pay levels within the West Midlands Combined Authority define the multiple between the lowest paid employee and the Chief Executive as 1:9.50 and; between the lowest paid and average chief officer as 1:4.13. The Authority’s multiplier falls well below Lord Hutton’s public sector threshold.
- 3.5. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the West Midlands Combined Authority will use available benchmark information as appropriate.

4. Re-engagement and Re-employment of former Chief Officer Related Posts

- 4.1. West Midlands Combined Authority would not normally re-employ or re-engage chief officers who were previously employed by the Authority and who on ceasing to be employed, received severance or redundancy payment. This applies to chief officers employed on permanent, temporary and external contracts.

5. Accountability and Decision Making

- 5.1. In accordance with the Constitution of the West Midlands Combined Authority, the Employment Committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to chief officer positions within the West Midlands Combined Authority. Overall the Authority aims to maintain a mid-market position on chief officer pay in comparison to similar authorities.

Appendix A

West Midlands Combined Authority - SALARY SCALES INCREASED WITH EFFECT FROM 1 APRIL 2021

	NEW BASIC SALARY W.E.F.1.4.21
SALARY POINT	PER ANNUM
9	17,348
10	17,783
11	18,276
12	18,341
13	18,452
14	19,072
15	19,666
16	20,291
17	21,067
18	21,766
19	22,491
20	23,065
21	23,991
22	24,944
23	25,950
24	26,985
25	28,062
26	29,188
27	30,351
28	31,564
29	32,833
30	34,142
31	35,510
32	36,574
33	37,672
34	38,796
35	39,965
36	41,169
37	42,400
38	43,670
39	44,983
40	46,333
41	47,721
42	49,153
43	50,628
44	52,148
45	53,716
46	55,322
47	56,988
48	58,697
49	60,451
50	62,265

MARKET SCALES	NEW BASIC SALARY W.E.F.1.4.21
SALARY POINT	PER ANNUM
51	64,132
52	66,057

Appendix 11 – WMCA Annual Business Plan