



WMCA Board

Date	28 October 2022
Report title	Financial Monitoring Report 2022/23
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This report has been considered by	SLT - 12 October WM FDs - 13 October

Recommendation(s) for action or decision:

WMCA Board is recommended to:

- (1) Note the financial position as at 31 August 2022, as detailed in Sections 2 and 3.
- (2) Note the latest forecast for 2022/23 as detailed in Section 4, including the change to the Value for Money criteria for Bus Access Standards to £4.10.
- (3) Note the update on WMCA's Medium Term Financial Plan, as detailed in Section 5.
- (4) Note the Levelling Up Fund bid submitted by WMCA under delegations previously approved by the Board.
- (5) Note the grant award of £1.5m over 3 years from Department of Levelling Up, Communities and Housing for Rough Sleeping.
- (6) Note the award of £6.9m Made Smarter Phase 2 grant for 2023/24 to 2025/26 from BEIS.
- (7) Note the approval of the Multiply investment plan for £16.7m allocation and award of £5.1m for 2022/23 activity.
- (8) Approve recharge of 2022/23 Business Rates Growth monies, as detailed in Section 12.
- (9) Note the West Midlands Co-Invest project update and approve the setup of a new wholly owned company for the fund rather than using the existing WMDC structure (Section 15).

- (10) Note the package of 'good will measures' offered by the contractor, as set out in paragraph 16.2, in relation to Metro track replacement works on Corporation Street.
- (11) Note the potential for WMCA to bid for the hosting the Intelligent Transport Systems (ITS) World Congress in Birmingham in 2027, with the bid due to be submitted in early November (Section 10).

1.0 Purpose

- 1.1 To provide an update on the Combined Authority's finances as at 31 August 2022.

2.0 2022/23 Year to Date Revenue Position

- 2.1 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority.
- 2.2 The position at the end of August is a surplus of £2.177m which is a favourable variance from budget of £1.288m.
- 2.3 Within Transport there is a surplus at the end of August of £2.730m which represents a favourable variance from budget of £1.376m. The most notable variances at this early stage of the year relate to Concessions where expenditure is less than budget due to lower patronage and fare levels and within the Metro budget where Local Transport Fund (LTF) grant has now been received. The favourable position to date is expected to be largely offset by the full year due to an increase in Metro subsidy requirement and also to reflect the risk in relation to the bus network in the last quarter of the year.
- 2.4 Within the Portfolio budgets there is an adverse variance of £0.090m where savings against staffing and external advice across several budgets are offset by a lower than budgeted draw down of reserves.
- 2.5 The Mayoral Office position as at the end of August 2022 was in line with budget.
- 2.6 Appendix 1 shows the overall consolidated revenue position for the WMCA and appendices 2 to 4 present the detailed summaries for Transport, the WMCA Delivery budget and the Mayoral office respectively.

3.0 2022/23 Capital Programme Position

- 3.1 Appendix 5 sets out the position on the Capital Programme as at the end of August 2022. Actual costs totalled £142.4m, resulting in a favourable variance of £57.1m against budget.
- 3.2 The year to date expenditure to budget variance is primarily contained within Transport (£38.3m) and Housing (£11.0m).
- 3.3 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget of £205.3m, including all the Rail/Sprint & Metro extension schemes.
- 3.4 At the end of August, actual costs for the Investment Programme are £19.2m below the budget of £77.9m. The main variances are within the Metro Programme totalling £11.5m and the Rail Programme totalling £7.6m.

3.5 Within Housing, the underspend largely relates to the Phoenix 10 scheme (£5.2m) and in relation to the Brownfield Land & Property Development Fund (£3.2m).

3.6 Further detail is available in Appendix 5.

4.0 Revenue and Capital Forecast Update

4.1 The first forecast of 2022/23 was completed in July 2022. This forecast incorporates the latest position on central government transport funding and the increase in MML operating costs as flagged to WMCA Board in June 2022. It also contains the profiling and cost of delivering activities over the remainder of the year.

4.2 WMCA has now received confirmation of the transport recovery grant funding and accepted the grant letter terms and conditions. WMCA will receive £3.7m of Local Transport Funding for the period 4 April to 4 October 2022 which includes £1.8m for light rail and £1.9m to support bus services. Additionally, WMCA has been awarded £14.9m of Network Stabilisation Fund to provide network stability over the Commonwealth Games period. This funding is for the period 6 April to 8 August 2022 and will be distributed to operators. Additionally, £8.6m of Network Planning Fund has been awarded for the period 1 September to 31 December while the network review is undertaken. This will also be distributed to operators.

4.3 WMCA has confirmed to operators that it will continue to pay concessions at pre pandemic budget levels until December 2022 to ensure network stability to this date. As noted in 2.3, there are year to date savings within the concession budget. The forecast position has been held at budget in recognition of the network risk from January to March 2023. This will be kept under close review for the next forecast position. Following discussion with Mayor & Leaders and Transport Delivery Committee, it has been agreed to increase the Value for Money criteria within the wider Bus Access Standards to £4.10 to reflect the increased cost of those services.

4.4 The key movements within the full year position reflects an increase in the MML operating costs of £4.2m to reflect ongoing cost pressures and revenue lost during the service shutdown. This increase has been offset by additional Local Transport Fund (LTF) grant of £1.8m and non-pay savings of £2.5m.

4.5 The capital forecast shows a movement of £80.6m from the budget largely in relation to CRSTS (£31.5m) and Grants to Local Authorities (Transport £19.7m and Investment Programme £17.5m).

4.6 The CRSTS budget reflects the Programme level budget approved in February 2022 based on information provided by WMCA and LA delivery partners. This will be rebased as part of the Q2 forecast to reflect the most up to date information on delivery. A paper will be brought to November WMCA Board updating on the latest position around University Station.

4.7 In July, the National Joint Council (NJC), made a final pay offer to local government employees which is currently out to consult with Unison members. The main points of the offer are a one year pay offer from 1 April 2022 of £1,925 on all pay points and 4% increase on allowances. If this offer were to be accepted and implemented there would be an increase to the pay expenditure forecast of £1.5m above budget.

- 4.8 WMCA has also been assessing the impact of rising energy prices across its asset base. This assessment is ongoing and will be reported as part of the Q2 forecast update, however early indications suggest a potential impact of c.£400k for this financial year. The impact assessment is also seeking to identify any mitigating actions that can be taken to reduce these costs.
- 4.9 The increase in mortgage rates and withdrawal of products on the market could lead to a slowdown in the house programme pipeline until developers are reassured that there will be sufficient buyer confidence and ability to purchase new homes. This will be reviewed as part of the future forecasts to assess any impact.

5.0 Medium Term Financial Plan and Business Planning Update

- 5.1 As reported to WMCA Board in July, the Medium Term Financial Plan (MTFP) has continued to be reviewed and refined over the Summer to reflect any known changes. The updated position is presented in the table below and represents the current base case.

£M	2023/24	2024/25	2025/26	2026/27	2027/28
Transport Functions	0.0	20.1	19.4	31.4	30.1
Portfolios	0.0	0.0	0.0	0.0	0.0
Mayoral Office & Elections	0.0	4.0	1.0	1.0	1.0
Total Deficit / (Surplus)	0.0	24.1	20.4	32.4	31.1

- 5.2 The MTFP has been updated to reflect the decisions agreed by WMCA Board in July in respect of Metro including the transport levy underwrite from 2025/26 of £4.8m to allow construction of Birmingham Eastside Extension and Wednesbury to Brierley Hill Extension to Dudley, as well as £30m of CRSTS funding to be used in first 3 years to fund lifecycle renewals works. The Target Cost 2 (TC2) for WBHE to Dudley was approved in September at a value of £384.7m.
- 5.3 The significant uncertainty that was noted in the last MTFP update has remained which continues to impede WMCA's ability to set a multi year budget. Trailblazer Devolution Deal provides significant opportunities around fiscal devolution that it is expected will provide the sustainable medium term financial plan. As these discussions develop and there is more certainty around value and timing, these opportunities will be incorporated into future iterations of the MTFP.
- 5.4 It is, however, acknowledged that these are not going to materialise in time for setting a balanced budget for 2023/24. Mayor and Leaders have indicated that a one off funding solution is required for 2023/24 utilising a combination of transport levy increase, one off utilisation of reserves and use of 2023/24 share of Business Rates Growth. This reduces WMCA's ability to absorb any future fiscal shocks, particularly in relation to the transport network which remains vulnerable due to there being no national sustainable funding solution in place post March 2023. The draft budget will be presented to January WMCA Board.
- 5.5 It is very likely that the revenue pressures impacting on the current financial year, namely pay increases, energy costs and inflation, will continue to have an impact into 2023/24 and there is a risk that the financial cost could exceed current planning assumptions.

5.6 There are also emerging pressures across the capital programme as a result of hyperinflation, supply chain issues in both materials and labour and increased costs of construction including energy. This has the potential to impact both in train and future delivery across both WMCA and local authority delivered projects. A new risk has been added in respect of this to the strategic risk register to reflect the increased likelihood and significant impact that this poses. The risk continues to be actively and closely monitored so that any project risks are understood as soon as possible to allow mitigations and solutions to be developed as required. Those solutions may include descoping or value engineering of projects and/or programmes as it is unlikely that the current proposed programmes can be delivered in full within the financial envelope.

5.7 Over October and November, the annual business planning process for 2023/24 will take place. A collaborative approach will enable detailed plans showing all project and BAU activity function and portfolio, aligned with a bottom-up budget and identified resources. The final stage will be developing metrics to measure performance over the year with SMART 1-year High Level Deliverables and phased milestones to be reported on a monthly cycle to Senior Leadership Team and 6 monthly to the WMCA Board.

6.0 Levelling Up Fund Round 2

6.1 WMCA has submitted a bid into the Levelling Up Fund Round 2 for £29.3m for upgrade of bus shelters and stops across the network to improve customer experience and confidence in bus travel through increased safety and security. This was included in the original BSIP proposal but could not be accommodated in the reduced allocation. Bids are currently being assessed by HMG.

7.0 Rough Sleeping Grant

7.1 WMCA has been awarded a multi-year allocation of £1.5m from Department for Levelling Up, Housing and Communities for 2022 – 25 to continue its work in this area building on the work started under the previous funding allocation.

8.0 Made Smarter Phase 2

8.1 WMCA has been awarded £6.9m over 3 years from BEIS, equating to circa £2.3m per annum, to build on the success of the pilot scheme run in 2021/22. Made Smart adoption programme aims to help manufacturing SMEs in the West Midlands to increase productivity, competitiveness, resilience and efficiency through the take-up of digital technologies.

9.0 Multiply

9.1 WMCA investment plan submission for Multiply funds has been agreed by HMG for the allocation of £16.8m over 3 years. £5.1m relates to 2022/23 and will be used to deliver activity in this financial year.

10.0 Intelligent Transport Systems (ITS) World Congress Bid

- 10.1 WMCA plans to submit a bid in November 2022 to host the ITS World Congress in Birmingham in 2027, in partnership with the Department of Transport. The Intelligent Transport Systems (ITS) World Congress is an annual large-scale, prestigious trade and academic conference event in the field of Transport Technology / Intelligent Mobility. The international trade is anticipated to bring hundreds of exhibitors and c15,000 visitors to the region for over a week, with a significantly positive economic impact, and therefore a prestigious event for the West Midlands. It also aligns to West Midlands economic growth aspirations as well offering significant opportunities to ensure a legacy impact.
- 10.2 It should be noted that should a formal bid be secured, the costs of running the ITS World Congress are proposed to be split between ERTICO (the award authority for the bid) and the Local Host accountable body (WMCA). Funding to offset the costs will come from a varied source of funds, including ERTICO proposed contributions, DfT contribution to costs, volunteer and industry contributions, Income from tickets, dinners, visits, and sponsorship.
- 10.3 As a prudent measure, a provision of £1m will be set aside in reserves to mitigate against the risk if the event was to be cancelled, poor attendance or low level of sponsorship. WMCA is liaising with DfT to underwrite this risk.

11.0 Investment Programme

- 11.1 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.
- 11.2 The July expenditure is shown at Appendix 10, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily constituent member local authorities).
- 11.3 Appendix 11 summarises grant funding commitments approved by WMCA for projects within the Investment Programme, which total £858.4m as at 31st August 2022 (£858.4m as at 31st July 2022).
- 11.4 WMCA Investment Programme funding drawn / incurred by projects against these funding commitments as at 31st July 2022 totals £467.4m.

12.0 Business Rates Growth 2022/23

- 12.1 In line with the approved 2022/23 Budget, the Board is requested to approve a recharge to our Constituent Authorities for the 2022/23 Business Rate Growth monies from the 50% HMG share retained locally as part of the West Midlands pilot. This is agreed as £10.5m for the current year and has been allocated pro-rata using the underlying rateable values for each area; in a manner consistent with prior years.

Local Authority	2022/23 BR Growth Attributable to the Combined Authority
Birmingham	£4,580,800
Coventry	£1,288,100
Dudley	£936,100
Sandwell	£1,047,000
Solihull	£1,079,500
Walsall	£768,200
Wolverhampton	£800,300
TOTAL	£10,500,000

12.2 WMCA are continuing to prioritise the unlocking of long-term Business Rates Growth with Government through the Trailblazer Devolution Deal negotiations, and appropriate updates will be reported to the Board accordingly.

13.0 Administered Funds

13.1 Administered Funds which were live as at 1 April 2022, totalled £27.4m as of 31st August 2022. This sum excludes funds fully utilised and concluded by 31 March 2022. A breakdown of this amount is included within Appendix 12.

13.2 These funds do not form part of the Authority's own revenue and capital budgets but are effectively funds received by WMCA and passported to partner authorities for delivery.

13.3 Elements of the overarching grants listed at Appendix 12 which are not passported are excluded from this appendix.

14.0 Balance Sheet

14.1 Appendix 13 presents the West Midlands Combined Authority Balance Sheet which shows a healthy financial position as at 31 August 2022.

14.2 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 £9.7m.

14.3 The increase in short-term debtors is mainly due to grant income receivable in respect of the Commonwealth Games from the Birmingham Commonwealth Games Organising Committee.

14.4 The increase in short-term deposits is largely due to the receipt of grants from the DfT offset by payments in respect of PWLB principal loan repayment, Adult Education Budget, Commonwealth Games, Investment Programme and Metro extension schemes.

14.5 The grants received from the DfT offset by the increase in property, plant and equipment mentioned above, and payments for CRSTS, Intra-City Transport and the Commonwealth Games led to a net increase in grants receipts in advance.

14.6 The increase in short-term creditors/accruals related to higher accounts payables.

15.0 West Midlands Co-Invest Update

- 15.1 The Full Business Case (FBC) for the WM Co-Invest project was approved on the 14 January by the WMCA Board. Good progress has been made with tenders from Fund Managers indicating that all target outputs can be achieved. The FBC approved £12.5m funding from the Investment Programme and the project is on course to match this with a further £12.5m from an initial co-investor. It is expected that legal agreements will be finalised and the £25m fund launched in the coming weeks.
- 15.2 The FBC set out an intention to route WMCA investment through West Midlands Development Company (WMDC), a wholly owned subsidiary of WMCA. Further investigation of this has found this to be very complex due to the Teckal status of the company and technical issues arising from its structure being tailored to the CIF and RIF Funds. An alternative option to form a wholly owned company fulfilling the same administrative functions is simpler, more cost effective, adds no risk and achieves the same aims. Therefore, this option will be pursued instead. The governance and operational controls for the project are unaffected.

16.0 Corporation Street Track Replacement

- 16.1 During 2021, a decision was taken in relation to Corporation Street Metro track to replace the tracks due to safety concerns over the original track. The cost of the repair works to Corporation Street were £7.25m. The costs were agreed as essential works to the operation of BEE with the approval and funding agreed as an adjustment event through the Metro Programme Board governance route. The overall value of the scheme change remained within the 10% tolerance allowed by the Authority's financial regulations.
- 16.2 As part of the governance of the decision to replace the tracks it was agreed to investigate recovery of costs, however following a review of both the technical detail and contractual legal documentation, including the certification arrangements in place at the time, it is felt that the matter could not be taken any further forward. However, officers have been in discussion with the original contractor to identify options around any goodwill gestures that they are able to deliver which would go some way to support the local residents and businesses in the area to make up for the levels of disruption that have been experienced as the tracks have been replaced. A number of goodwill measures have proposed by the contractor that include support during the Commonwealth Games, skills programme and measures within the BID. This was previously reported to the Mayor and Leaders. A full report regarding these goodwill measures and lessons learnt as part of the contract will be presented to ARAC in November.

17.0 Financial Implications

- 17.1 The financial implications are set out in the report.

18.0 Legal Implications

- 18.1 In respect of the funding and passporting of funds there will be conditions that WMCA will need to adhere to. Legal support will be required for any legal documentation entered into in respect of the above.

19.0 Other Implications

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

20.0 Appendices

- Appendix 1 – WMCA Consolidated Summary – August 2022
- Appendix 2 – WMCA Transport Revenue Summary - August 2022
- Appendix 3 – WMCA Delivery Budget Summary – August 2022
- Appendix 4 – WMCA Mayor Revenue Summary – August 2022
- Appendix 5 – WMCA Capital Programme – August 2022
- Appendix 6 – WMCA 2022/23 Transport Capital Programme
- Appendix 7 – WMCA 2022/23 Housing and Land Capital Programme
- Appendix 8 – WMCA 2022/23 Investment Programme to Local Authorities Programme
- Appendix 9 – WMCA 2022/23 City Regional Sustainable Transport Settlement Programme
- Appendix 10 – Total Regional Investment Programme Expenditure – July 2022
- Appendix 11 – WMCA Investment Programme Commitments – August 2022
- Appendix 12 – WMCA Administered Funds – August 2022
- Appendix 13 – WMCA Balance Sheet – August 2022

Appendix 1

WMCA Consolidated Revenue Budget Summary – August 2022

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	48,756	48,756	0	117,015	117,015	0
Commonwealth Games	19,350	18,656	694	26,459	18,656	7,803
Revenue Grants & Other Income	7,030	3,401	3,629	22,173	8,339	13,834
Adult Education Funding	64,697	69,056	(4,359)	140,577	140,577	0
Share of Business Rates	0	0	0	10,500	10,500	0
Constituent Membership	1,935	1,935	0	4,644	4,644	0
Non Constituent Members	212	213	(1)	510	510	0
Investment Programme	5,952	5,381	571	36,500	36,500	0
Investment Income	974	374	600	2,422	898	1,524
Use of Reserves	450	4,841	(4,391)	15,414	14,064	1,350
Total Funding	149,356	152,613	(3,257)	376,214	351,703	24,511
Transport for West Midlands	46,474	50,715	4,241	125,880	124,964	(916)
Commonwealth Games	19,350	18,656	(694)	26,459	18,656	(7,803)
Economy & Innovation	3,410	1,243	(2,167)	4,355	2,896	(1,459)
Environment, Energy & HS2	818	634	(184)	2,336	1,839	(497)
Housing and Land	508	606	98	1,443	1,455	12
Wellbeing	501	497	(4)	1,571	1,202	(369)
PSR & Social Economy	337	566	229	2,685	2,653	(32)
Culture and Digital	1,731	137	(1,594)	447	423	(24)
Productivity & Skills	65,370	71,040	5,670	156,499	145,347	(11,152)
Inclusive Communities	329	371	42	1,263	1,262	(1)
Business Support	1,481	1,481	0	3,390	3,055	(335)
Investment Programme	6,552	5,425	(1,127)	48,629	47,105	(1,524)
Mayoral Office	318	353	35	846	846	0
Mayoral Election	0	0	0	0	0	0
Total Expenditure	147,179	151,724	4,545	375,803	351,703	(24,100)
Net Expenditure (before earmarked reserves)	2,177	889	1,288	411	0	411

The outturn position at the end of August shows a surplus of £2.177m which represents a favourable variance from budget of £1.288m.

This is made up of £1.376m within Transport, largely due to savings within the Concessions and Metro budgets due to lower patronage and fare levels and additional Local Transport Fund (LTF) grant funding that has now been confirmed.

This favourable variance is offset by a deficit of £0.088m within the Portfolio budgets where savings due to vacant posts and external advice across several Portfolios are offset by a lower reserves drawdown as budgeted reserves have not yet been drawdown.

The key movements within the full year position reflects an increase in the MML operating costs of £4.2m to reflect ongoing cost pressures and revenue lost during the service shutdown. This increase has been offset by additional Local Transport Fund (LTF) grant of £1.8m and non-pay savings of £2.5m. The full year Portfolio position remains broadly in line with budget.

Appendix 2

Transport for West Midlands Revenue Budget – August 2022

	ACTUAL £000			BUDGET £000			YTD VARIANCE	FORECAST £000	BUDGET £000	FULL YEAR VARIANCE
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET	£000	NET	NET	£000
Transport Levy	48,756	0	48,756	48,756	0	48,756	0	117,015	117,015	0
Use of Reserves	450	0	450	3,312	0	3,312	(2,862)	7,948	7,948	(0)
TOTAL FUNDING	49,206	0	49,206	52,068	0	52,068	(2,861)	124,963	124,962	
Concessions										
National Bus Concession	44	18,606	(18,562)	72	19,827	(19,754)	1,193	(47,703)	(47,843)	140
Metro / Rail	0	1,892	(1,892)	0	1,899	(1,899)	7	(4,563)	(4,576)	13
Child Concession	0	2,370	(2,370)	0	2,672	(2,672)	303	(6,684)	(6,710)	26
	44	22,868	(22,823)	72	24,398	(24,326)	1,503	(58,951)	(59,130)	179
Bus Services										
Bus Stations / Infrastructure	3,141	4,979	(1,838)	3,091	5,296	(2,205)	367	(5,271)	(5,642)	371
Subsidised Network	1,515	6,695	(5,180)	852	6,117	(5,265)	85	(13,420)	(13,420)	0
Accessible Transport	67	2,144	(2,077)	0	2,314	(2,314)	237	(6,508)	(6,638)	130
	4,723	13,818	(9,095)	3,943	13,727	(9,784)	689	(25,200)	(25,701)	501
Rail and Metro Services										
Metro Services	80	2,571	(2,491)	80	3,514	(3,435)	943	(8,069)	(6,137)	(1,932)
Rail Services	510	1,714	(1,204)	637	2,104	(1,467)	262	(3,705)	(4,165)	460
	589	4,285	(3,696)	717	5,618	(4,901)	1,206	(11,774)	(10,302)	(1,472)
Integration										
Safety and Security	277	625	(347)	279	806	(527)	180	(1,395)	(1,257)	(138)
Passenger Information	6,764	9,113	(2,349)	351	3,027	(2,676)	327	(6,234)	(6,959)	725
Sustainable Travel	29	650	(620)	58	369	(311)	(309)	(611)	(763)	152
	7,071	10,388	(3,317)	688	4,202	(3,514)	197	(8,240)	(8,979)	739
Network Resilience										
		1,028	(1,028)		1,301	(1,301)	274	(3,549)	(3,744)	195
Commonwealth Games	19,350	19,350	0	18,656	18,656	0	0	0	0	0
Business and Democratic Support	0	1,462	(1,462)	0	1,556	(1,556)	94	(3,706)	(3,698)	(8)
Strategic Development	410	1,909	(1,498)	462	2,234	(1,772)	274	(4,577)	(4,863)	287
Transport Governance	0	54	(54)	0	56	(56)	3	(123)	(135)	13
Capital Finance Charges	0	3,504	(3,504)	0	3,504	(3,504)	(0)	(8,410)	(8,410)	(0)
TOTAL EXPENDITURE	32,188	78,665	(46,477)	24,538	75,252	(50,714)	4,238	(124,528)	(124,962)	435
NET before Earmarked Reserves	81,394	78,665	2,730	76,606	75,252	1,354	1,376	435	0	435

At the end of August 2022 there is a £1.4m favourable variance against budget and the first full year forecast of the year shows a £0.4m favourable movement from budget.

The key movements within the full year position reflects an increase in the amount due to Midland Metro Limited (MML) of £4.2m due to ongoing cost pressures and revenue lost during the service shutdown. This increase has been offset by additional Local Transport Fund (LTF) grant of £1.8m and savings of £2.5m from within existing budgets.

Concessions

The driver behind the year to date saving relates largely to the ENTCS budget due to lower patronage and fare levels.

The full year forecast has been retained at budgeted levels to reflect the risk in relation to the bus network. Additional bus funding has now been extended to 31 March 2022 and officers are working with DfT to understand the details, as such the full year position remains under close review.

Bus Services

Within the Subsidised Bus position there is currently a minor favourable variance of £0.1m largely due to additional Local Transport Fund (LTF) grant now being received partly offset by additional service costs.

Within Accessible Transport there are savings to date of £0.2m favourable due to contractual savings plus additional revenue received from WMAT.

There are also savings across Bus Infrastructure budgets of £0.4m in the main relating to staffing, cleaning, and maintenance budgets.

The full year position within Bus Services reflects savings to date within the Accessible Transport along with relatively minor savings across several budgets partly offset by a reduction in departure charge income.

Rail & Metro

Within Metro Services the favourable position to date is due to Local Transport Grant (LTF) that has been received in relation to the first half of year alongside savings on general insurance premiums to date.

The full year position reflects an increase in subsidy requirement of £4.2m. This increase has been partly offset by additional Local Transport Fund (LTF) grant of £1.8m.

Within Rail Services the year to date savings are largely within staffing and maintenance budgets. The full year favourable position reflects savings within external advice of £0.65m which have been committed in order to help fund the additional Metro subsidy requirement.

Integration

Savings to date largely relate to staffing where there are vacant posts across a number of budgets. The favourable movement in the full year position mainly reflects a forecast reduction in external advice expenditure which will contribute to fund the additional Metro subsidy requirement.

Network Resilience

Within the Network Resilience budget there are savings against Staff due to vacant posts alongside external advice savings.

Reserves

Reserves drawn down to date relate to the delivery of the West Midlands Cycle Hire scheme. Budgeted reserves earmarked to support the 2022/23 Transport Budget have not yet been drawn down.

Appendix 3

West Midlands Combined Authority Portfolios Budget – August 2022

FINANCIAL SUMMARY AS AT PAY AUGUST 2022	AUGUST 2022 YEAR TO DATE			FULL YEAR 2022/23			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Operational Income							
Mayoral Capacity Funding	64	64	0	154	154	0	
Other Revenue Income	0	0	0	500	500	0	
Notional Interest Receivable	374	331	43	794	794	0	
Contribution - 7 Met Council's	1,935	1,935	0	4,644	4,644	0	
Contribution - Non constituent members	212	213	(1)	510	510	0	
Total Income	2,585	2,543	42	6,602	6,602	0	
Corporate Support Recharges to Portfolios	(1,481)	48	(1,529)	2,228	2,563	(335)	
Total Expenditure	(1,481)	48	(1,529)	2,228	2,563	(335)	
Operational Income Net Total	1,104	2,591	(1,487)	8,830	9,165	(335)	
Economy & Innovation							
Other Industrial Strategy Income	787	236	551	1,282	567	715	
DDCMS - Creative Scale Up	20	83	(63)	22	200	(178)	
Create Central Projects	295	102	193	1,063	410	653	
Policy and Programme Development	1,799	0	1,799	585	0	585	
IAWM	107	90	17	128	108	20	
Total Income	3,008	511	2,497	3,080	1,285	1,795	
Industrial Strategy	(852)	(305)	(547)	(1,473)	(733)	(740)	
DDCMS - Creative Scale Up	(34)	(83)	49	(82)	(200)	118	
Create Central Projects	(327)	(313)	(14)	(1,147)	(915)	(232)	
Policy and Programme Development	(1,799)	0	(1,799)	(585)	0	(585)	
IAWM	(107)	(90)	(17)	(128)	(108)	(20)	
Economic Intelligence	0	(160)	160	(240)	(240)	0	
Funding For Growth	(292)	(292)	0	(700)	(700)	0	
Total Expenditure	(3,411)	(1,243)	(2,168)	(4,355)	(2,896)	(1,459)	
Economy & Innovation Net Total	(403)	(732)	329	(1,275)	(1,611)	336	Post budget a third year of the Create Central funding has been secured giving rise to an overall favourable variance of £179k. External advice within Economic Intelligence is underspent by £160k, but with the full budgeted committed in the second half of the year.
Environment & Energy, HS2							
Environment	78	87	(9)	345	210	135	
Community Green	124	19	105	353	47	306	
Energy Capital	349	232	117	682	625	57	
Net Zero Neighbourhood	138	25	113	111	59	52	
Total Income	689	363	326	1,491	941	550	
Environment	(202)	(358)	156	(1,146)	(1,108)	(38)	
Community Green	(124)	(19)	(105)	(353)	(47)	(306)	
Energy Capital	(349)	(232)	(117)	(682)	(625)	(57)	
Net Zero Neighbourhood	(143)	(25)	(118)	(155)	(59)	(96)	
Total Expenditure	(818)	(634)	(184)	(2,336)	(1,839)	(497)	Staff savings due to three vacant posts total £51k, where recruitment is now expected later in the year and resultant lower levels of activity on external advice £98k.
Environment & Energy, HS2 Net Total	(129)	(271)	142	(845)	(898)	53	
Housing and Land							
Director of Housing & Regeneration	508	606	(98)	1,443	1,455	(12)	
Total Income	508	606	(98)	1,443	1,455	(12)	
Director of Housing & Regeneration	(508)	(606)	98	(1,443)	(1,455)	12	
Total Expenditure	(508)	(606)	98	(1,443)	(1,455)	12	
Housing and Land Net Total	0	0	0	0	0	0	
Wellbeing							
Head of Health & Communities	104	0	104	137	0	137	
Thrive at Work	78	76	2	168	76	92	
IPS Programme	122	65	57	296	155	141	
Total Income	304	141	163	601	231	370	
Head of Health & Communities	(302)	(310)	8	(898)	(761)	(137)	
Thrive at Work	(78)	(123)	45	(378)	(287)	(91)	
IPS Programme	(122)	(65)	(57)	(296)	(155)	(141)	
Total Expenditure	(502)	(498)	(4)	(1,572)	(1,203)	(369)	Wellbeing - Health and Communities £112k favourable - Grant income totalling £104k, comprising £56k DfT Social prescribing walking & cycling pilot, £20k Sports England and £20k Midland Engine, were expected to end in 2021/22 but have been extended into 2022/23. The funding covers staff costs and external advice, enabling savings against core budget. Thrive at work £46k favourable, mainly due to savings in staff costs from three vacancies.
Wellbeing Net Total	(198)	(357)	159	(971)	(972)	1	

FINANCIAL SUMMARY AS AT PAY AUGUST 2022	AUGUST 2022 YEAR TO DATE			FULL YEAR 2022/23			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Skills and Productivity							
Productivity and Skills	38	30	8	84	30	54	
Employment Support	45	0	45	71	0	71	
Construction Skills	(400)	0	(400)	0	0	0	
Adult Education	64,697	69,056	(4,359)	140,577	140,577	0	
Careers	7	0	7	7	0	7	
Digital Skills	(176)	0	(176)	10,976	0	10,976	
Investment Programme (Skills)	182	116	66	350	298	52	
Commonwealth Games	244	225	19	460	470	(10)	
European Structural & Investment Funding	405	862	(457)	2,069	2,068	1	
Total Income	65,042	70,289	(5,247)	154,594	143,443	11,151	
Productivity and Skills	(366)	(801)	435	(1,990)	(1,935)	(55)	
Employment Support	(45)	0	(45)	(71)	0	(71)	
Construction Skills	400	0	400	0	0	0	
Adult Education	(64,697)	(69,056)	4,359	(140,577)	(140,577)	0	
Careers	(7)	0	(7)	(7)	0	(7)	
Digital Skills	176	0	176	(10,976)	0	(10,976)	
Investment Programme (Skills)	(182)	(98)	(84)	(350)	(298)	(52)	
Commonwealth Games	(244)	(225)	(19)	(460)	(470)	10	
European Structural & Investment Funding	(405)	(860)	455	(2,069)	(2,068)	(1)	
Total Expenditure	(65,370)	(71,040)	5,670	(156,500)	(145,348)	(11,152)	There are savings against the staffing and external advice budgets pending recruitment to a new staffing structure.
Skills and Productivity Net Total	(328)	(751)	423	(1,906)	(1,905)	(1)	
Culture and Digital							
Culture	13	0	13	0	0	0	
Total Income	13	0	13	0	0	0	
Culture	(48)	(55)	7	(202)	(178)	(24)	
Digital	(30)	(82)	52	(245)	(245)	0	
Total Expenditure	(78)	(137)	59	(447)	(423)	(24)	Activity has been re-profiled pending recruitment to a new structure.
Culture and Digital Net Total	(65)	(137)	72	(447)	(423)	(24)	
Inclusive Communities							
Homelessness	131	95	36	492	478	14	
Total Income	131	95	36	492	478	14	
Head of Systems Change & Inclusion	(72)	(122)	50	(337)	(365)	28	
Youth Combined Authority	(44)	(76)	32	(232)	(223)	(9)	
Homelessness	(155)	(110)	(45)	(537)	(523)	(14)	
Inclusion	(58)	(63)	5	(157)	(151)	(6)	
Total Expenditure	(329)	(371)	42	(1,263)	(1,262)	(1)	Head of Service to start in September with related activity budgeted on external advice reprofiled to later in the year.
Inclusive Communities Net Total	(198)	(276)	78	(771)	(784)	13	
Tourism, trade and Investment Programme							
Tourism, Trade and Investment Programme	1,652	0	1,652	8,228	8,402	(174)	
Total Income	1,652	0	1,652	8,228	8,402	(174)	
Tourism, Trade and Investment Programme	(1,652)	0	(1,652)	(8,228)	(8,402)	174	
Total Expenditure	(1,652)	0	(1,652)	(8,228)	(8,402)	174	
Tourism, trade and Investment Programme Net Total	0	0	0	0	0	0	
Levelling Up							
Office of Data Analytics	17	34	(17)	67	81	(14)	
Total Income	17	34	(17)	67	81	(14)	
Office of Data Analytics	(39)	(92)	53	(245)	(261)	16	
Executive Director of Strategy, Integration and Net Zero	(140)	(147)	7	(1,538)	(1,552)	14	
Head of Research & Intelligence	(61)	(149)	88	(376)	(371)	(5)	
Head of Policy & Public Affairs	(83)	(116)	33	(392)	(315)	(77)	
Public Affairs	(31)	(61)	30	(150)	(154)	4	
Total Expenditure	(354)	(565)	211	(2,701)	(2,653)	(48)	Staff savings £162k and underspends on stakeholder engagement £12k and external advice £67k are due to vacancies, with outsourced collaboration work with University of Birmingham and Oxford Economics rescheduled for later in the year.
Levelling Up Net Total	(337)	(531)	194	(2,634)	(2,572)	(62)	
Operational Income Net Total	(554)	(464)	(90)	(19)	0	(19)	

Appendix 4

West Midlands Combined Authority Mayoral Budget – August 2022

	AUGUST 2022 YEAR TO DATE			FULL YEAR 2022/23				
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
MAYORAL OFFICE								
Other Grants	318	353	(35)	846	846	0	No material variations year to date.	
TOTAL INCOME	318	353	(35)	846	846	0		
Staff Costs	(308)	(329)	21	(766)	(788)	22		
IT	0	(6)	6	(1)	(11)	10		
Travel & Subsistence	0	(5)	5	(11)	(14)	3		
Other	(10)	(13)	3	(68)	(33)	(35)		
TOTAL EXPENDITURE	(318)	(353)	35	(846)	(846)	0		
MAYORAL ELECTION								
Use of Reserves	35	0	35	35	0	35		
TOTAL INCOME	35	0	35	35	0	35		
Mayoral Election Costs	(35)	0	(35)	(35)	0	(35)		
TOTAL EXPENDITURE	(35)	0	(35)	(35)	0	(35)		
NET MAYORAL BUDGET	0	0	0	0	0	0		

Appendix 5

West Midlands Combined Authority Transport Delivery Capital Programme – August 2022

	YEAR TO DATE - AUGUST 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Metro	54,064	65,612	11,548	164,228	160,040	(4,188)
Rail	4,540	12,128	7,587	30,706	42,436	11,729
Sprint	96	172	76	2,601	2,810	209
TRANSPORT - INVESTMENT PROGRAMME	58,700	77,912	19,211	197,535	205,285	7,750

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of August 2022, actual expenditure was £19.2m lower than budget.

Metro

Birmingham Eastside Ext £4.8m

The main underspend is relating to HS2 utilities works due to the process of agreeing revised commercial terms. An agreement has now been reached so now awaiting HS2 claim for reimbursement.

Wednesbury to Brierley Hill Ext £2.0m – Funding has now been secured for construction to Dudley with TC2 expected to be approved in September.

Network Enhancements – Wednesbury Depot Upgrades £2.4m – the construction for the power upgrade, due to possible additional power requirements, will commence in the coming months.

Network Enhancements – Line 1 Renovation Works £1.7m – project business case yet to be approved. It is now expected to begin commencement in the coming months.

Rail

Camp Hill Line Local Enhancements Package 2 £6.1m – This is made up of £3m related to physical construction, due the signing of the construction contract and subsequent mobilisation along with the time scales in agreeing site land access. £0.9m relates to rephased Network Rail APA Risk Fees payable when construction commences. This is expected to be recovered this financial year.

Walsall to Wolverhampton Local Enhancements Package 1 £1.5m – Rephasing of project works due to identification of mining infrastructure on construction site.

FORECAST V BUDGET VARIANCE COMMENTARY

Metro

Birmingham Eastside Extension (£8.7m) – Originally there were no works planned during the Commonwealth Games period, however dispensation has been granted for some works to take place during the embargo. These include paving, street lighting and traffic signals.

Wednesbury Depot Upgrades £2.8m – rephasing of construction works to Delta Junction and deferred TC2 submission.

Wednesbury to Brierley Hill Extension - £1.2m - rephasing of works as a result of the timing of TC2 agreement for the project. Funding has now been secured for construction to Dudley with TC2 expected to be approved in September.

Rail

Camp Hill Line Local Enhancements Package 2 £8.3m – a majority of this underspend is driven by a slower start to construction than budgeted for as the original budget was not based on the current construction partner's programme. £2m underspend is due to blockade work (which is an extended possession of the line for works) being deferred to 23/24.

Walsall to Birmingham Local Enhancements Package 1 £3.5m - work is required at both station sites to reduce the risk of ground collapses due to historic mining. This has been estimated at £5m (which will be funded by contingency and expected construction savings) but will delay the construction phase.

	YEAR TO DATE - AUGUST 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Highway	1,235	2,340	1,105	9,041	9,291	250
Other	94	590	495	590	590	0
Rail	14,845	21,723	6,878	28,548	28,548	0
Sprint	18,142	23,883	5,741	23,107	23,107	(0)
TRANSPORT - COMMONWEALTH GAMES	34,317	48,536	14,219	61,285	61,535	250

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of August 2022, actual expenditure was £14.2m under budget.

Rail

University Station Improvement £4.6m - The variance is driven by ongoing discussions with construction contractor regarding compensation events. Total underspend is expected to be recovered in the coming months.

Perry Barr Station Improvement £2.3m - £1.6m of this relates to physical construction activity now expected to take place between August to October. Network Rail costs £0.3m underspend due to planned train line possession and prolongation costs not required. Land acquisition £0.2m - Due to the timing of payment application from the Lessee of the old station for compensation events.

Sprint

A34 Walsall to Birmingham £4.8m - The main area of underspend is relating to construction works, requiring review and approval of a significant number of compensation events, creating a time lag of work done and contractor approval. Most of the underspend will be caught up during Q3.

A45 Birmingham to Airport and Solihull £0.9m – minor snagging works are taking place and the variance is due to the review and approval of compensation events which are ongoing but most of the underspend will be caught up during Q3.

	YEAR TO DATE - AUGUST 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus	3,322	5,306	1,984	25,649	29,128	3,479
Cycling	55	61	6	311	311	(0)
Other	1,785	2,942	1,157	9,439	9,439	(0)
TRANSPORT - OTHER MAJOR PROGRAMMES	5,162	8,309	3,147	35,399	38,878	3,479

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of August 2022, actual expenditure was £3.1m below budget.

Bus

Coventry Electric Bus City £1.5m - power supply connection scheduled to be completed may not now be required, owing to contractors arranging separately. This is being reassessed by the Project team in September.

Major Route Network – A45 Coventry Road/Damson Parkway Junction £0.3m – claims from LAs have been lower than expected.

Other

Future Mobility Zone Enabling Data Exploitation £0.8m – The primary underspend relates to resource allocation for the Mobility as a Service Project (MaaS). The procurement tender to secure the resources is expected to be awarded in the coming months.

Future Mobility Zone – Innovation Showcases £0.4m – £0.16m of this relates to a slight change in scheduling in phase 2 of the Hub Design and Development, the cost is now expected in the coming months and £0.12m reflects the timing of procurement.

FORECAST V BUDGET VARIANCE COMMENTARY

Cross City Bus – Dudley to Druids Heath Package £4m – construction of the Burnt Tree scheme improvement plan has been phased back for delivery in 2024 due the timing of the Full Business Case and preference by TfWM and local authorities to begin construction at this later date.

Dudley Interchange (£0.5m) – these are land acquisition costs which will be fully funded from project contingency.

	YEAR TO DATE - AUGUST 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Minor Work Programme	997	1,971	973	8,243	8,565	322
TRANSPORT - MINOR WORKS	997	1,971	973	8,243	8,565	322

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of August 2022, actual expenditure was £1.0m under budget. The main variances are as follows:

Asset Management Programme £0.3m - rephasing of procurement materials, to be used for upgrades to bus stations and rail park & ride sites, will commence in the coming months.

Key Route Network Safety £0.2m - rephasing of project works subject to compliance with TAG guidelines.

A435 Alcester Road Bus Priority Revitalisation £0.3m - rephasing of construction works into early 2023.

FORECAST V BUDGET COMMENTARY

Priority 1 Development Workstream £0.3m – forecast reduction as BCC schemes are running into 2023/24 due to lack of resourcing and a construction embargo during the Commonwealth Games.

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

	YEAR TO DATE - AUGUST 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Grants to Local Authorities	2,438	2,790	352	17,086	36,757	19,671
Total Grants to Local Authorities	2,438	2,790	352	17,086	36,757	19,671

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of August 2022, actual expenditure was £0.3m under budget.

MRN-A45 Coventry Road/Damson Parkway Junction £0.3m - rephasing of works, with additional surveys and developing further design detail, will commence in the coming months.

FORECAST V BUDGET VARIANCE COMMENTARY

Active Travel Fund – Tranche 3 £13.4m – local authorities are producing the individual business cases with funding due to be committed by March 2023 as required within the grant conditions. The delivery of the individual schemes will go beyond March 2023 and DfT have been fully engaged with the revised timelines to mitigate any risk of funding clawback.

Priority 1 Delivery – A45 Coventry Road Birmingham £4.3m – this is largely due to resourcing challenges over the last 6 months, Birmingham City Council are looking to secure additional resource to support delivery.

Priority 1 Delivery – Perry Barr to Sutton Coldfield £1.4m – a design review is currently being undertaken and as a consequence the OBC is not likely to be approved until November 2022 which will impact delivery commencement into late Q3.

Priority 1 Development Workstream £0.3m – forecast reduction as BCC schemes are running into 2023/24 due to lack of resourcing and a construction embargo during the Commonwealth Games.

West Midlands Combined Authority Transport Capital Programme CRSTS – August 2022

	YEAR TO DATE - AUGUST 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
CRSTS Programme	477	864	387	58,808	90,343	31,535
Total CRSTS	477	864	387	58,808	90,343	31,535

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of August 2022, actual expenditure was £0.4m under budget.

Sprint Phase 2 A45 – Package F Solihull £0.1m - the variance is related to the timing of raising relevant purchase orders as project support costs are currently being incurred.

Sprint Phase 2 A34 – Package G Walsall £0.1m - the variance is related to the timing of raising relevant purchase orders as project support costs are currently being incurred.

Sprint Phase 2 A45 – Package H Birmingham £0.1m - the variance is related to the timing of raising relevant purchase orders as project support costs are currently being incurred.

FORECAST V BUDGET COMMENTARY

Without further information available at this early stage in the CRSTS delivery timeline, spend has been rephased later in 22/23 and deferred to future years to reflect the updated business case approval dates for each project. Only projects with Strategic Outline Business Case (SOBC) or Outline Business Case (OBC) approval expected in this financial year have a forecast included this year. There have been no changes to overall project life forecasts.

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

	YEAR TO DATE - AUGUST 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	31,081	37,350	6,269	66,206	83,671	17,464
Total Investment Programme Grants to Local Authorities	31,081	37,350	6,269	66,206	83,671	17,464

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of August 2022, actual expenditure was £6.3m under budget.

Coventry City Centre South Regeneration – Coventry City Centre South £0.4m - the project was originally conceived as a largely retail development. However, due to changes in consumer behaviour, accelerated by the pandemic, and further increased regional need for housing, the project is being re-designed to include a significantly larger proportion of residential developments. Therefore construction has been delayed while a suitable property developer is selected and a change request is obtained for the revised project.

Coventry UKC Plus – Coventry Station Masterplan £0.2m - significant spend for the multi-storey car park is now expected to be incurred in September 2022, with final drawdown occurring in October 2022.

CoW Technical Centre £3.1m - WMCA and City of Wolverhampton Council are yet to complete the required funding agreement. Nil funding reimbursed to date, and no funding is likely to be approved for reimbursement until the funding agreement is legally completed.

UK Central Infrastructure Programme £1.0m - this project is made up of 23 sub-projects, some of which have small slippages combining to the overall variance. These include Solihull Town Centre Low Carbon Energy Network £0.4m, Local Strategic Network Resilience Connectivity £0.2m, A452 Chester Road Corridor Enhancement £0.2m, Solihull Town Centre Access Improvements £0.2m.

UK Central HS2 Interchange Programme £1.5m – YTD budget variance is a combination of 9 discrete projects, with respective overspends within HS2 parallel designs – roundabout over-trace £0.8m, Highway pinchpoint improvements (NEC longabout) £0.6m and HS2 parallel design process £0.2m.

FORECAST V BUDGET COMMENTARY

Coventry Regeneration Friargate (£1.0m) - accelerated construction, plot acquisition and infrastructure costs and subsequently increased professional fees which are calculated as a percentage of the construction contract, have resulted in forecasted accelerated drawdown of IP funding.

Coventry City Centre South £15.4m - this scheme was originally largely a retail development but due to changes in consumer behaviour and increased regional need for housing, the project is being re-designed to include significantly more residential developments. A new development partner is required which has resulted in construction costs scheduled to incur in 2022/23 being deferred to 2023/24.

UK Central Infrastructure Package £1.5m - this project is made up of 25 sub-schemes. There have been forecast reductions on several sub-schemes resulting in an overall variance.

UK Central Interchange £1.5m - this is primarily due to the NEC Longabout sub-project. A change request has been submitted to re-scope the outputs of the project.

West Midlands Combined Authority Housing Capital Programme – August 2022

	YEAR TO DATE - AUGUST 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Housing	9,582	20,585	11,003	65,026	65,167	141
Total Housing	9,582	20,585	11,003	65,026	65,167	141

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of August 2022, actual expenditure was £11.0m under budget.

Land and Property Investment Fund (LPIF) £5.2m - the variance is primarily a claim timing difference in respect of the Phoenix 10 scheme. The update received from the LA states the project is on programme at present.

Brownfield Land & Property Development Fund (BLPDF) £3.2m - the underspend is largely due to the Shard End project which is currently under review and the Pipe Hall project which is looking to secure external funding.

Housing Land Fund £2.5m – largest variance is Abbots Lane £1.2m driven by planning delays at Coventry City Council, who are reconvening in the coming months to resolve current issues.

FORECAST V BUDGET COMMENTARY

LPIF (£5.1m) - accelerated spend of £5m is expected on the Phoenix 10 project towards the end of Q4.

BLPDF £2.5m - this is made up of two main components. Shard End £2.1m, this project has not yet commenced due to environmental reasons, the assumption is that the project plans will be delayed by 6 months pending decisions on next steps. Walsall Waterfront £0.4m, works have been put on hold for 6 months to allow the administrator of Urban Splash to find a buyer.

Port Loop Phase 3 and 4 £1.5m - this project is being constructed by Urban Splash House who have gone into administration putting this project at risk. An administrator has been appointed to look for a buyer and further expenditure has been deferred for 6 months.

Phoenix Park - £1.1m - programme has been delayed by 6 months to allow completion of due diligence work requested by Investment Board.

West Midlands Combined Authority Net Zero Capital Programme – August 2022

	YEAR TO DATE - AUGUST 2022			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Net Zero Programme	0	1,490	1,490	8,894	8,894	0
Total Net Zero	0	1,490	1,490	8,894	8,894	0

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of August 2022, actual expenditure was £1.5m under budget.

Social Housing Decarbonisation £1.2m

The scheme is in the mobilisation phase, with the customer recruitment and property assessment originally planned for the first quarter now expected to commence in Q2, with the installations phased later into Q3.

Sustainable Warmth Competition £0.3m

The scheme is in the mobilisation phase, with the customer recruitment and property assessment originally planned for the first quarter now expected to commence in Q2, with the installations phased later into Q3.

Appendix 6 – 2022/23 Transport Capital Programme

TRANSPORT CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Investment Programme - Metro	Metro Wednesbury to Brierley Hill Extension	73.7	144.3	88.7	9.4	-	316.1
	Metro Birmingham Eastside Extension	48.5	73.7	18.9	4.0	-	145.1
	Metro Network Enhancements	12.4	23.4	20.8	0.2	0.2	57.0
	Metro Edgbaston Extension	3.2	-	-	-	-	3.2
	Wolverhampton Metro Extension	8.7	-	-	-	-	8.7
	Metro Enabling and Other Works	9.1	0.1	-	-	-	9.2
Investment Programme - Rail	Rail - Camp Hill Line Local Enhancements (Package 2)	26.9	24.9	0.4	-	-	52.3
	Rail - Walsall to Wolverhampton Local Enhancements (Package 1)	15.3	22.8	5.0	-	-	43.2
	Rail - Sutton Coldfield Gateway	0.2	21.1	-	-	-	21.3
	Rail - Snow Hill Lines	0.1	-	-	-	-	0.1
Investment Programme - Sprint	Sprint - Hagley Road Phase 1	2.3	1.7	-	-	-	3.9
	Sprint - Longbridge to Birmingham	0.2	17.2	11.7	13.4	-	42.5
	Sprint - Hall Green to Interchange via Solihull	0.2	7.3	5.7	8.9	9.9	32.0
	Sprint - Hagley Road Phase 2	0.2	11.2	11.2	20.0	12.2	54.8
	Sprint - Sutton Coldfield to Birmingham	0.0	25.9	-	-	-	25.9
INVESTMENT PROGRAMME TOTAL		201.0	373.5	162.4	55.9	22.3	815.1
CWG Programme	Sprint - A45 Birmingham to Airport and Solihull	12.3	-	-	-	-	12.3
	Sprint - A34 Walsall to Birmingham	10.9	-	-	-	-	10.9
	University Station Improvement Project	20.9	-	-	-	-	20.9
	Perry Barr Rail Station	7.7	-	-	-	-	7.7
	Regional Traffic Control Centre	8.6	-	-	-	-	8.6
	Other Works	0.8	-	-	-	-	0.8
CWG PROGRAMME TOTAL		61.0	-	-	-	-	61.0
Other Major Programmes	Dudley Interchange	0.9	1.4	16.8	-	-	19.2
	Dudley Port Integrated Transport	0.2	1.1	1.1	-	-	2.4
	Cross City Bus - City Centre & Druids Heath	6.0	16.0	-	-	-	22.0
	Coventry City Electric Bus	16.2	25.5	1.7	0.1	-	43.6
	Zero Emission Bus Regional Area (ZEBRA)	5.7	24.6	-	-	-	30.4
	Future Mobility Zone	8.3	-	-	-	-	8.3
	A435 Alcester Rd Bus Priority Revitalisation	1.2	-	-	-	-	1.2
	West Midlands Cycle Hire Scheme	0.3	-	-	-	-	0.3
	Key Route Network Safety	0.6	-	-	-	-	0.6
	Major Road Network	9.8	-	-	-	-	9.8
	Other Works	1.5	-	-	-	-	1.5
OTHER MAJOR SCHEMES PROGRAMME TOTAL		50.8	68.7	19.7	0.1	-	139.4
Minor Work Programme	Asset Management Programme	2.0	0.1	-	-	-	2.1
	Real Time Information Upgrades	0.8	-	-	-	-	0.8
	Better Streets Community Fund	0.4	-	-	-	-	0.4
	DfT Tackling Nitrogen Dioxide and Air Quality	1.2	-	-	-	-	1.2
	Strategic Transport Officer Group Top Slice	0.1	0.2	-	-	-	0.3
	Priority One Schemes	12.5	-	-	-	-	12.5
	Active Travel Fund	17.2	0.2	-	-	-	17.3
	Other Works	9.0	1.6	-	-	-	10.6
MINOR WORKS PROGRAMME TOTAL		43.2	2.0	-	-	-	45.2
GRANTS TO LOCAL AUTHORITIES PROGRAMME	Birchley Island (Sandwell MBC)	0.5	-	-	-	-	0.5
	B4106 Spon End (Coventry CC)	1.0	-	-	-	-	1.0
	New St/High St/Victoria Sq Public Realm	2.1	-	-	-	-	2.1
GRANTS TO LOCAL AUTHORITIES PROGRAMME TOTAL		3.6	-	-	-	-	3.6
TRANSPORT TOTAL		359.5	444.2	182.1	56.0	22.3	1,064.2

Appendix 7 – 2022/23 Housing and Land Capital Budget

HOUSING AND LAND CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
IP Land	Brownfield Land & Property Development Fund (BLPDF)	6.8	3.1	0.7	0.1	0.0	10.8
Remediation	LPIF (Black Country Consortium)	16.6	59.5	20.1	20.1	17.0	133.3
Land Fund	Land Fund - Simon Digby	-0.0	0.6	1.8	0.6	-	3.0
	Land Fund - Stone Yard	0.0	1.0	0.0	1.0	0.0	2.1
	Land Fund - Abbotts Lane	2.2	0.0	0.0	-	-	2.2
	Land Fund - Aga	0.2	0.3	0.3	0.5	0.2	1.5
	Land Fund - Portersfield	0.4	0.3	0.3	3.8	1.4	6.1
	Land Fund - Fountain Lane	0.7	1.0	0.7	-	-	2.3
	Land Fund - Brierley Hill	0.2	-	-	-	-	0.2
	Land Fund - Port Loop phase 3 & 4	2.1	1.2	0.0	-	-	3.3
	Land Fund - Culwell St	1.8	2.3	1.2	0.1	-	5.3
	Brownfield Land - Pipeline	20.6	24.7	25.1	13.7	7.5	91.6
	National Competitive Fund - West Longbridge	2.1	0.0	0.0	0.0	0.0	2.2
	Woodend Henley Manor Farm	0.8	0.2	-	-	-	1.1
	Brownfield Land - Phoenix Park	2.6	-	-	-	-	2.6
	Brownfield Land - Murdoch and Pitman	0.8	0.9	0.2	-	-	1.8
	Brownfield Land - Black Country Lvg Museum	0.7	0.0	0.0	-	-	0.7
	Brownfield Land - Globe House	0.6	-	-	-	-	0.6
	Brownfield Land - Erdington Baths	-	0.7	1.4	0.0	-	2.1
	National Competitive Fund - Pipeline	0.1	0.9	9.9	6.6	-	17.5
	Land Fund - Dobbs Street	0.0	0.0	0.2	0.3	-	0.6
	Land Fund - Lioncourt	0.4	0.2	-0.0	-	-	0.5
	Land Fund - Steelhouse Lane	0.0	-	-	-	-	0.0
	Land Fund - Pipe Hall	-0.0	-	-	-	-	-0.0
	Land Fund - Friar Park	0.4	0.1	0.0	4.5	0.0	5.0
	Land Fund - Pipeline	0.8	24.3	-	-0.1	-	24.9
	Land Fund - Abberley Street	0.5	-	0.0	0.0	0.0	0.5
	Land Fund - Cranford Way	0.1	0.0	0.1	-	-	0.2
	Land Fund - Caparo	0.8	0.4	0.5	0.0	-	1.7
Land Fund - Icknield Port Loop Phase 2a and 2b	2.7	0.0	0.0	0.0	-	2.7	
Land Fund - Cookley Works	0.2	0.5	0.1	-	-	0.8	
Land Fund - Other	-0.0	0.0	0.0	0.0	0.0	0.1	
HOUSING AND REGENERATION PROGRAMME TOTAL		65.1	122.3	62.6	51.3	26.1	327.4

Appendix 8 – 2022/23 Investment Programme Grants to Local Authorities Programme

INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIES CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Investment Programme	Coventry South Package - Tile Hill Station Improvements	0.0	3.1	3.8	-	-	6.9
	Coventry City Centre South Regeneration - City Centre	22.5	44.4	-	17.4	-	84.3
	Coventry City Centre South Regeneration - Friargate	23.8	2.5	1.5	-	-	27.9
	Coventry UKC Plus - Coventry Station Masterplan (CSMP)	2.7	-	-	-	-	2.7
	Coventry UKC Plus - UK City of Culture 2021 Regeneration	0.1	-	-	-	-	0.1
	Coventry UKC Plus - Coventry South Package	6.7	30.5	23.4	26.7	14.4	101.6
	Coventry UKC Plus - Coventry North Package	-	4.0	11.3	6.2	-	21.4
	Coventry UKC Plus - Very Light Rail: Transforming Connectivity	0.0	2.8	15.0	15.0	10.0	42.8
	UK Central Infrastructure Package - Programme Total	8.6	62.1	60.4	55.3	36.6	223.0
	UK Central HS2 Interchange - Programme Total	13.2	64.5	67.4	77.2	72.6	294.9
	CoW Technical Centre	6.1	1.6	0.1	-	-	7.8
IP GRANTS TO LOCAL AUTHORITIES		83.7	215.6	182.8	197.7	133.5	813.3

Appendix 9 – 2022/23 City Regional Sustainable Transport Settlement Programme

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
	Rail Development	0.2	0.7	0.7	0.7	0.7	3.0
	Aldridge Station	0.5	1.0	3.0	5.5	20.0	30.0
	Demand Responsive Bus	1.0	1.5	3.0	4.5	-	10.0
	BSIP Retrofit Programme	3.0	-	-	-	-	3.0
	Park and Ride Tile Hill and Whitlocks End	1.5	1.5	1.0	0.5	-	4.5
	BSIP Bus Priority Cross City Routes	6.0	35.0	18.0	-	-	59.0
	Mobility Hubs and E Bikes	1.0	2.3	2.3	3.1	-	8.6
	Swift cEMV contactless payment broker	7.3	8.9	1.8	-	-	18.0
	Ultra Rapid Charging Transit Stations	6.0	8.0	-	-	-	14.0
	ULEV	1.5	4.0	5.0	1.5	-	12.0
	Metro Line 1 Renovation	7.5	18.8	3.6	-	-	30.0
	A45 Bham to Solihull - Phase 2	5.1	11.5	8.8	-	-	25.4
	A34 Walsall to Bham - Phase 2	5.3	16.8	8.4	-	-	30.6
	Hagley Road Rapid Transit	0.1	4.9	5.0	10.0	5.0	25.0
City Region Sustainable Transport Settlement Programme	CRSTS - IG - Smethwick - Birmingham Corridor Transport Package	0.3	0.8	4.0	8.0	6.0	19.0
	CRSTS - IG - East Birmingham to Solihull Corridor	2.0	10.5	7.5	5.0	-	25.0
	CRSTS - IG - Chester Road Segregated Cycleway and Capacity	0.3	0.5	6.0	-	-	6.8
	CRSTS - IG - Active Travel - A45 Segregated Cycleway	0.5	5.1	8.0	0.7	-	14.3
	CRSTS - IG - Wolverhampton CC Walk, Cycle and Bus Package	0.5	5.0	4.0	-	-	9.5
	CRSTS - IG - A454 Walk, Cycle and Bus Corridor	0.6	3.2	4.5	9.9	-	18.2
	CRSTS - IG - BCW Access: Darlaston and Willenhall Train Stations	0.2	0.3	1.0	1.5	-	3.0
	CRSTS - IG - WBHE: Sustainable Access Measures	1.5	3.0	5.0	6.5	-	16.0
	CRSTS - CoP - Very Light Rail Phase 2	18.1	23.3	21.0	8.2	0.9	71.5
	CRSTS - CoP - Sutton Coldfield Gateway	0.8	7.2	14.5	2.5	-	25.0
	CRSTS - CoP - Solihull Station Integrated Transport Hub	0.4	0.8	1.3	1.3	1.3	5.0
	CRSTS - CoP - UKC - Dorridge Bus Priority	-	-	2.5	2.5	-	5.0
	CRSTS - CoP - Snow Hill Growth Strategy	0.6	1.8	1.5	1.2	-	5.0
	CRSTS - HSaS - A38 Selly Oak to Longbridge Segregated Cycling	0.5	6.2	7.3	0.5	-	14.5
	CRSTS - HSaS - City Centre Active Travel to Interchange	0.8	9.5	9.0	0.7	-	20.0
	CRSTS - HSaS - One Station and Smallbrook Queensway	0.5	2.0	6.5	1.0	-	10.0
	CRSTS - HSaS - Black Country Walking and Cycling Package	0.5	1.5	2.0	2.0	2.0	8.0
	CRSTS - HSaS - Dudley Interchange Sustainable Connectivity	2.0	3.0	2.5	-	-	7.5
	CRSTS - HSaS - Dickens Heath to Solihull Town Centre LCWIP	4.0	6.3	-	-	-	10.3
	CRSTS - HSaS - Knowle to Solihull Town Centre LCWIP	3.0	5.0	-	-	-	8.0
	CRSTS - HSaS - Stourbridge TC Sustainable Connect Package	0.2	1.0	1.8	-	-	3.0
	CRSTS - CRNaC - Multi-modal Access HS2	-	-	1.0	2.0	2.0	5.0
	CRSTS - CRNaC - Foleshill Transport Package	0.5	3.0	1.0	-	-	4.5
	CRSTS - CRNaC - A461 Walsall WCB Corridor	1.0	1.6	2.4	6.0	14.0	25.0
	CRSTS - CRNaC - A41 Mox IP Wal TC WCB Corr	1.0	1.5	2.0	5.5	9.0	19.0
	CRSTS - CRNaC - A4123 Walk, Cycle and Bus Corridor	0.5	1.5	7.0	10.0	10.1	29.0
	CRSTS - CRNaC - A449 Walk, Cycle and Bus Corridor	2.0	4.0	2.0	-	-	8.0
	CRSTS - CRNaC - BCW Access: Walsall Town Centre Interchange	-	0.3	0.3	0.3	0.3	1.0
	CRSTS - CRNaC - West Coast Mainline M42 bridge	-	0.3	1.3	1.7	1.7	5.0
	CRSTS - DaGR - Cov South Sustainable Transport (GIGA Factory)	0.3	8.4	8.4	-	-	17.0
	CRSTS - Data Scheme Development Support	1.8	0.7	1.1	1.1	2.5	7.0
	CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME		90.3	232.1	196.8	103.7	75.3

Appendix 10

Total Regional Investment Programme Expenditure as at 31st July 2022

PROGRAMME	COST TO COMPLETION			
	PRIOR PERIOD SPEND	2022 / 2023 FORECAST	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN
	£000	£000	£000	£000
COVENTRY UKC PLUS	194,177	87,626	427,699	709,502
SPRINT PROGRAMME	76,447	20,996	231,617	329,060
RAIL PROGRAMME	47,690	34,687	132,866	215,243
METRO PROGRAMME	481,503	147,021	1,058,717	1,687,241
UK CENTRAL INFRASTRUCTURE PACKAGE	88,655	94,441	1,170,124	1,353,220
UK CENTRAL HS2 INTERCHANGE	35,297	9,129	488,247	532,673
HS2 GROWTH STRATEGY TOTAL	923,768	393,902	3,509,270	4,826,940
COVENTRY CITY CENTRE SOUTH REGENERATION	55,370	37,908	239,838	333,116
INNOVATION PROGRAMME	37,876	6,495	150,628	194,999
LAND RECLAMATION AND REMEDIATION	55,918	26,513	117,569	200,000
COMMONWEALTH GAMES 2022	73,028	5,320	-	78,348
EMPLOYMENT, EDUCATION & SKILLS	1,018	290	18,687	19,995
BUSINESS AND TOURISM PROJECT - BATP	10,687	12,250	1,010	23,948
COVENTRY ELECTRIC BUS CITY	11,407	16,110	111,983	139,500
REGIONAL RECOVERY & RISKS	12,286	12,145	25,120	49,550
COLLECTIVE INVESTMENT FUND	87,111	40,759	872,130	1,000,000
OTHER INVESTMENT PROGRAMME SCHEMES	344,700	157,790	1,536,966	2,039,456
GRAND TOTAL	1,268,468	551,692	5,046,236	6,866,396

Appendix 11

WMCA Investment Programme Commitments as at 31st August 2022

£m	Total Expected Approvals	Approved Commitments	Actual Spend (Jul-22)
Coventry UK Central Plus	288.1	94.8	87.4
Sprint Programme	217.4	47.0	42.5
Rail Programme	119.6	63.0	29.6
Metro Programme	222.8	222.8	98.3
UK Central Infrastructure Package	288.0	34.4	23.3
UK Central HS2 Interchange	398.0	62.9	37.4
SUB TOTAL HS2 GROWTH STRATEGY	1,533.9	525.0	318.5
Coventry City Centre South Regeneration	150.0	150.0	44.8
Innovation Programme	50.0	16.13	13.1
Land Reclamation and Remediation	200.0	103.0	57.7
Commonwealth Games 2022	25.0	25.0	25.0
Employment, Education & Skills	20.0	1.3	1.2
Business and Tourism Project - BATP	2.6	2.6	0.3
Coventry Electric Bus City	5.0	5.0	0.3
Regional Recovery & Risks	35.5	30.4	6.5
OTHER INVESTMENT PROGRAMME	488.1	333.4	148.9
TOTAL	2,022.0	858.4	467.4

Appendix 12 – WMCA Administered Funds – August 2022

Funding Stream	Grant Awarded £'000	Spend to Date £'000	Purpose
Midlands Connect	11,095	10,095	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
One Public Estate	1,453	664	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.
Community Renewal Fund	3,369	3,369	This Fund aims to support people and communities most in need across the UK to pilot programmes and new approaches and will invest in skills, community and place, local business, and supporting people into employment.
Emergency Active Travel Fund - Capital	10,304	3,887	Funding awarded to external local authorities for the delivery of an array of capital schemes throughout the region.
Emergency Active Travel Fund - Revenue	1,157	464	Revenue funding.
Total	27,378	18,479	

Appendix 13 – WMCA Balance Sheet

	31 August 2022 £'000	31 July 2022 £'000	Movement £'000
Property, plant and equipment	662,472	652,823	9,650
Intangible assets	1,646	1,698	(53)
Investments	37,648	36,582	1,066
Loan Receivables	15,922	15,922	-
Long-term assets	717,688	707,025	10,663
Short-term debtors	70,975	56,285	14,690
Short-term deposits	746,681	738,187	8,494
Cash and bank	218	192	26
Current assets	817,874	794,664	23,210
Loans - interest due	(4,340)	(3,940)	(400)
Short-term loans	-	-	-
Short-term creditors/accruals	(135,272)	(126,494)	(8,778)
Current liabilities	(139,612)	(130,434)	(9,178)
Net current assets	678,262	664,230	14,033
Provisions	(4,836)	(4,836)	-
Loans - PWLB	(502,461)	(504,526)	2,065
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(4,678)	(4,678)	-
Grants receipts in advance	(441,209)	(406,354)	(34,854)
Long-term liabilities	(963,184)	(930,394)	(32,789)
Net assets	432,767	440,861	(8,094)
General fund balance	3,784	3,080	704
Earmarked reserves	346,036	344,515	1,521
Capital grants unapplied reserve	1,841	1,841	-
Usable reserves	351,661	349,436	2,225
Revaluation reserve	6,126	6,126	-
Deferred capital grants account	700,169	690,573	9,596
Capital financing account	(621,327)	(601,412)	(19,915)
Financial Instruments Adjustment Account	(2,724)	(2,724)	-
Accumulated absences account	(1,138)	(1,138)	-
Unusable reserves	81,106	91,425	(10,319)
Total reserves	432,767	440,861	(8,094)