

## Appendix 2

### Transport for West Midlands Revenue Budget Position 31<sup>st</sup> January 2023

At the end of January 2023 there is a £2.7m favourable variance against budget.

The latest forecast position shows a surplus of £0.4m an improvement of £0.4m against the previous forecast. Within the forecast a provision of £2.4m has been made for future funding pressures within the capital programme recognising the need for prudence and to provide some resilience against inflationary pressures and supply chain issues. In addition, a provision of £0.5m has been made to support WMCA hosting of transport events such as the 2027 Intelligent Transport Systems World Congress bid reported to September 2022 WMCA Board.

	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	97,512	0	97,512	97,512	0	97,512	0	117,015	117,015	0
Use of Reserves	7,513	0	7,513	7,563	0	7,563	(50)	9,059	9,078	(19)
<b>TOTAL FUNDING</b>	<b>105,025</b>	<b>0</b>	<b>105,025</b>	<b>105,075</b>	<b>0</b>	<b>105,075</b>	<b>(50)</b>	<b>126,074</b>	<b>126,092</b>	<b>(19)</b>
<b>Concessions</b>										
National Bus Concession	113	39,143	(39,030)	155	38,710	(38,556)	(475)	(48,467)	(47,843)	(624)
Metro / Rail	0	3,792	(3,792)	0	3,799	(3,799)	7	(4,550)	(4,576)	26
Child Concession	0	4,777	(4,777)	0	5,346	(5,346)	570	(5,815)	(6,710)	895
	113	47,711	(47,598)	155	47,855	(47,701)	102	(58,832)	(59,130)	298
<b>Bus Services</b>										
Bus Stations / Infrastructure	5,953	10,316	(4,363)	6,281	10,810	(4,529)	166	(4,985)	(5,643)	658
Subsidised Network	26,265	37,273	(11,008)	1,704	12,758	(11,055)	46	(13,420)	(13,420)	0
Accessible Transport	142	4,658	(4,516)	0	4,631	(4,631)	115	(5,664)	(6,638)	974
	32,360	52,247	(19,887)	7,985	28,199	(20,215)	328	(24,070)	(25,702)	1,632
<b>Rail and Metro Services</b>										
Metro Services	159	6,296	(6,137)	176	5,637	(5,461)	(675)	(8,004)	(6,137)	(1,867)
Rail Services	1,089	3,714	(2,624)	1,298	4,520	(3,222)	598	(3,395)	(4,165)	770
	1,248	10,009	(8,761)	1,473	10,157	(8,684)	(77)	(11,399)	(10,302)	(1,097)
<b>Integration</b>										
Safety and Security	591	1,408	(817)	561	1,604	(1,043)	226	(908)	(1,257)	349
Passenger Information	19,633	24,397	(4,764)	789	6,177	(5,387)	623	(6,050)	(6,959)	909
Sustainable Travel	81	1,393	(1,312)	126	1,681	(1,555)	243	(1,660)	(1,893)	232
	20,306	27,199	(6,893)	1,476	9,462	(7,986)	1,093	(8,618)	(10,109)	1,491
<b>Network Resilience</b>										
Commonwealth Games	27,344	27,344	0	18,656	18,656	0	0	0	0	0
Business and Democratic Support	0	2,925	(2,925)	(333)	2,917	(3,251)	325	(3,444)	(3,697)	253
Strategic Development	943	4,127	(3,184)	1,208	4,919	(3,712)	527	(4,490)	(4,863)	373
Transport Governance	21	128	(106)	0	113	(113)	7	(145)	(135)	(9)
Capital Finance Charges	0	7,008	(7,008)	0	7,008	(7,008)	(0)	(8,410)	(8,410)	(0)
<b>TOTAL EXPENDITURE</b>	<b>82,335</b>	<b>180,927</b>	<b>(98,592)</b>	<b>30,656</b>	<b>132,024</b>	<b>(101,368)</b>	<b>2,776</b>	<b>(122,787)</b>	<b>(126,092)</b>	<b>3,305</b>
<b>NET before Earmarked Reserves</b>	<b>187,360</b>	<b>180,927</b>	<b>6,433</b>	<b>135,731</b>	<b>132,024</b>	<b>3,707</b>	<b>2,726</b>	<b>3,285</b>	<b>0</b>	<b>3,285</b>
Earmarked Reserve (2023/24) Capital Pressures	0	0		0	0	-		(2,400)	0	(2,400)
Earmarked Reserve (2023/24) Transport Events	0	0		0	0	-		(500)	0	(500)
<b>NET after Earmarked Reserves</b>	<b>187,360</b>	<b>180,927</b>	<b>6,433</b>	<b>135,731</b>	<b>132,024</b>	<b>3,707</b>	<b>2,726</b>	<b>387</b>	<b>0</b>	<b>387</b>

### Concessions

Year to date savings within the ENCTS and Child concessions budgets are due to lower patronage and fare levels and have been transferred to an ear-marked reserve to protect against risks in relation to the bus network going forward. The full year forecast has been broadly retained at budgeted levels.

## **Bus Services**

There are savings across Bus Infrastructure budgets of £0.3m in the main relating to staffing.

The Subsidised Bus position is in line with budget with Local Transport Funding (LTF) offsetting the increased subsidised service costs.

Within Accessible Transport there are minor savings to date. The full year position reflects savings against grant payments due to contractual performance. These savings have been partly utilised to fund a joint commission with Birmingham City Council to look into future provision.

## **Rail & Metro**

The Metro Services budget has an adverse variance to date of £0.6m due to an increased MML subsidy requirement of £4.2m in year which is partly offset by LTF grant income 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 the full impact of the increased subsidy requirement and the LTF grant received.

Within Rail Services the year to date savings are largely within the external advice budget where savings have been committed to in order to help fund the additional Metro subsidy requirement.

## **Integration**

Within Passenger information savings to date largely relate to staffing where there are vacant posts across several budgets, savings against external budgets and additional commission receivable.

In addition, there are savings against contractual Safety and Security costs along with increased capital recharges due to the extension of the Active Travel Fund.

These savings to date largely flow through to the full year position.

## **Network Resilience**

Within the Network Resilience budget there are savings to date against the Staffing budget due to vacant posts alongside external advice savings. The external advice budget is expected to be mostly spent by the end of the year.

## **Strategic Development**

In year savings are largely within the staffing budget because of hiring delays due to a restructure, vacant posts are now expected to be appointed during the fourth quarter of the year. The remaining underspend is due to timing, with activity relating to the Local Transport Plan, Local Transport Investment Programme and Rail surveys expected in the last quarter of the year to align with recruitment.

## **Reserves**

Budgeted reserves earmarked to support the 2022/23 Transport Budget have been drawn down in line with budget.

Other use of reserves drawn down to date relate to the delivery of the West Midlands Cycle Hire scheme and University Rail Station.