

**Appendix 5
West Midlands Combined Authority Transport Delivery Capital Programme – January 2023**

	YEAR TO DATE - JANUARY 2023			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Metro	99,810	123,787	23,978	125,603	151,277	25,674
Rail	16,086	29,798	13,712	26,000	42,436	16,436
Sprint	204	1,161	957	331	2,810	2,479
TRANSPORT - INVESTMENT PROGRAMME	116,100	154,746	38,647	151,933	196,522	44,589

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2023, actual expenditure was £38.6m lower than budget.

Metro

Wednesbury to Brierley Hill Ext £10.8m – Target Cost 2 has now been approved for phase 1, hence rephasing of initially planned activities into Phase 2.

Birmingham Eastside Ext £7.2m – This is made up of £13m utilities works not undertaken this year, offset by accelerated construction of £6.8m.

Wolverhampton WIP Public Realm/Contingency £3m - Spend has been phased into later periods.

Buy Before Boarding £2.6m - Civil enabling work programme has been rephased and procurement of validators and ticket vending machines is expected in later periods.

Metro Wolverhampton City Centre Extension (£4.4m) - Additional costs are because of the timing of approvals.

Rail

Camp Hill Line Local Enhancements Package 2 £9.6m – This is largely attributable to physical construction, due to later than anticipated signing of construction contract and subsequent mobilisation along with the time scales in agreeing site land access.

Walsall to Wolverhampton Local Enhancements Package 1 £4m – Rephasing of project works due to identification of mining infrastructure on construction site.

FORECAST V BUDGET VARIANCE COMMENTARY
Metro

Wednesbury to Brierley Hill Extension £16.5m – Target cost 2 has been approved for phase 1 of this project, hence some rephasing of initially planned activities into future years.

Birmingham Eastside Extension £5.9m – Accelerated works largely relating to paving, street lighting and traffic signals totalled £9.4m. These accelerated costs are offset by rephased utilities costs (£15m) into 2023/24.

Buy Before Boarding £4.4m – Civil enabling works are now expected to commence within the next financial year.

Traction Power and OLE Upgrades £2.1m – Forecast reduced as a result of the descoping of substation 4 delivery. Agreement is pending on parallel working alongside the current scope of the project.

Metro Wolverhampton City Centre Extension (£9.2m) - Additional costs are a result of approval delays.

Rail

Camp Hill Line Local Enhancements Package 2 £8.4m – A revision to the construction timetable has seen enabling works and track possession rephased to commence late Q4. This has seen £13m of preparation works moving into 2023/24.

Walsall to Birmingham Local Enhancements Package 1 £7.9m - 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 existing budget) but will delay the construction phase.

FORECAST V BUDGET VARIANCE COMMENTARY

	YEAR TO DATE - JANUARY 2023			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Highway	4,190	6,415	2,225	5,368	8,723	3,355
Other	589	590	1	590	590	0
Rail	22,288	28,307	6,020	28,620	28,548	(73)
Sprint	18,830	22,885	4,054	21,583	23,107	1,524
TRANSPORT - COMMONWEALTH GAMES	45,896	58,197	12,300	56,161	60,968	4,806

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2023, actual expenditure was £12.3m under budget.

Highway

RTCC - Highway Interventions £1.3m - Rephasing of works due to outstanding signed agreements with Local Authorities to commence installation of traffic signals, cameras and weather stations. Claims are now largely expected in Q4.

RTCC Data - Tactical and Operational Intelligence £0.4m - purchasing of data has now been rephased into later Q4.

Rail

Perry Barr Station Improvement £4.2m - The variance is largely made up of the contingency for contract close out while compensation events are resolved.

University Station Improvement £1.8m - The variance is driven by ongoing discussions with construction contractor regarding compensation events.

Sprint

A34 Walsall to Birmingham £4.2m - The variance largely relates to construction works, requiring review and approval of a significant number of compensation events, creating a time lag of work done and contractor approval. Expenditure is expected to continue into Q1 2023/24.

A45 Birmingham to Airport and Solihull (£0.1m) – Minor snagging works are taking place and the variance is due to the review and approval of compensation events which are ongoing and are expected to continue into Q1 2023/24. Despite accelerated drawdown, project is expected to remain within budget.

FORECAST V BUDGET VARIANCE COMMENTARY

Highway

RTCC - Highway Interventions £2.2m - Rephasing of works due to outstanding signed agreements with Local Authorities to commence installation of traffic signals, cameras and weather stations. Costs are expected to be claimed within Q4 and 2023/24.

Rail

Perry Barr Station Improvement £2.7m - The variance is largely made up of the contingency for contract close out while compensation events are resolved. Expenditure is now expected to be incurred into Q1 of 2023/24.

University Station Improvement (£2.8m) - The variance is driven by ongoing discussions with construction contractor regarding compensation events.

Sprint

A34 Walsall to Birmingham £3m and A45 Birmingham to Airport and Solihull (£1.5m)

Additional costs on the A45 route owing to unexpected events including a burst water, essential redesign to accommodate a BT duct with fibre optic cables and inflationary increases on contractual costs have been offset by a reduction in A34 construction costs due to lower construction and material related costs and unutilised contingency.

	YEAR TO DATE - JANUARY 2023			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus	9,211	20,387	11,176	10,952	29,128	18,176
Cycling	80	103	24	281	311	30
Other	2,841	6,261	3,420	3,608	9,439	5,831
TRANSPORT - OTHER MAJOR PROGRAMMES	12,132	26,751	14,620	14,841	38,878	24,036

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2023, actual expenditure was £14.6m below budget.

Bus

Coventry Electric Bus City £6.9m - £1.5m of this is related to a power supply connection scheduled to be completed which may not now be required, owing to contractors arranging separately. A further £3m is due to an order for single deck buses which is on hold pending the Coventry network review to better understand what services are required going forward. Remaining £1.8m relates to payments awaiting release once TfWM are satisfied charging infrastructure has begun.

Cross City Bus -Dudley - Druids Heath Package £2.8m - The full business case submission has been rephased. Scheme delivery is not expected until 2023/24.

Cross City Bus - City Centre Package £0.9m - Rephasing of works, delivery of Cross City Package 1 expected to commence June 2023.

Other

Future Mobility Zone Enabling Data Exploitation £0.9m – The primary variance relates to resource allocation for the Mobility as a Service Project (MaaS).

Future Mobility Zone - Transport Network Data £1m - The Regional Strategic Modelling and Insight Tool is behind schedule due to procurement delays.

Future Mobility Zone – Innovation Showcases £0.8m – Phase 2 Hub Design and Development costs are now expected at the end of Q4.

FORECAST V BUDGET VARIANCE COMMENTARY

Bus

Coventry Electric Bus City £6.3m - £1.5m of this is related to a power supply connection scheduled to be completed which may not now be required, owing to contractors arranging separately. A further £3m is due to an order for single deck buses which is on hold pending the Coventry network review to better understand what services are required going forward. Remaining £1.8m relates to payments awaiting release once TfWM are satisfied charging infrastructure has begun.

Zero Emission Bus Regional Area £5.7m – A change request has been submitted to DfT requesting a deferral of works into 2023/24.

Cross City Bus -Dudley - Druids Heath Package £4.2m - The full business case submission has been rephased. Scheme delivery is not expected until 2023/24.

Cross City Bus - City Centre Package £1.5m - Rephasing of works, delivery of Cross City Package 1 expected to commence June 2023.

Other

Future Mobility Zone - Transport Network Data £2.7m - The Regional Strategic Modelling and Insight Tool is behind schedule due to procurement delays.

Future Mobility Zone – Innovation Showcases £1.3m – Phase 2 Hub Design and Development costs have been rephased, with some costs expected into 2023/24.

	YEAR TO DATE - JANUARY 2023			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Minor Work Programme	2,547	6,188	3,642	8,116	12,419	4,302
TRANSPORT - MINOR WORKS	2,547	6,188	3,642	8,116	12,419	4,302

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2023, actual expenditure was £3.6m below budget.

A435 Alcester Road Bus Priority Revitalisation £0.9m - Rephasing of construction works into early 2023 due to delay in obtaining a TRO from the relevant local authority.

Asset Management Programme £0.7m - Rephasing of procurement materials, to be used for upgrades to bus stations and rail park & ride sites, will commence in the coming months.

Air Quality Grant Scheme 2021 £0.5m - Project team is looking to reassign a new operator for this project and costs are likely to be incurred in the next financial year.

Key Route Network Safety £0.5m - This variance is likely to be phased into the next financial year as plans to spend this are being considered.

FORECAST V BUDGET COMMENTARY

A435 Alcester Road Bus Priority Revitalisation £1.1m – Some construction activity is now forecast to fall into 2023/24.

Air Quality Grant Scheme 2021 £1m - Project team is looking to reassign a new operator for this project and costs are likely to be incurred in the next financial year.

Priority 1 Development Workstream £0.6m – Forecast reduction as some schemes are running into 2023/24 due to lack of resourcing and the timing of construction works.

Asset Management Programme £0.6m - Rephasing of procurement materials, to be used for upgrades to bus stations and rail park & ride sites, will commence in the coming months.

West Midlands Combined Authority Transport Capital Programme Grants to Local Authorities – January 2023
Transport Capital Programme

	YEAR TO DATE - JANUARY 2023			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Grants to Local Authorities	6,442	23,321	16,879	14,139	38,861	24,722
Total Grants to Local Authorities	6,442	23,321	16,879	14,139	38,861	24,722

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2023, actual expenditure was £16.9m below budget.

Active Travel Fund - Tranche 3 £13.5m – The variance is due to the timing of physical construction works and LA resourcing. The programme business case has now been approved and LAs are progressing individual business cases to ensure funding is committed by March 2023 as stipulated in the grant conditions.

Priority 1 Delivery- A45 Coventry Road £1.5m - funding agreements between the two parties have not been signed yet to enable the LA to submit their grant claim.

Priority 1 Delivery - Perry Barr to Sutton Coldfield £0.5m – funding agreements between the two parties have not been signed yet to enable the LA to submit their grant claim.

MRN - A450 Bham Mid-Eastside £0.4m - LA claim is lower than expected.

FORECAST V BUDGET VARIANCE COMMENTARY

Active Travel Fund – Tranche 3 £15.9m – 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 £4.5m – This is largely due to resourcing challenges over the last 6 months, the LA are looking to secure additional resource to support delivery.

Priority 1 Delivery – Perry Barr to Sutton Coldfield £1.5m – No spend is forecast for this financial year to reflect the revised business case submission timeline.

West Midlands Combined Authority Transport Capital Programme CRSTS – January 2023

	YEAR TO DATE - JANUARY 2023			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
CRSTS Programme	41,744	66,984	25,241	56,628	86,602	29,975
Total CRSTS	41,744	66,984	25,241	56,628	86,602	29,975

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2023, actual expenditure was £25.2m under budget.

Metro Line 1 Renovation £6.3m – A business case for drawdown of funds is going to March WMCA Board.

Metro Network Enhancements - Wednesbury Depot Upgrades £5.8m - Construction work for a power upgrade has been rephased due to restricted access to works site.

BSIP Bus Priority Cross City Routes £4.1m - The programme business case has been approved but only for initial £500k to complete design works to confirm the scope and delivery costs for the project.

Swift cEMV Contactless Payment Broker £5.1m - original budget was phased indicatively, as the project has advanced activity will accelerate into 2023/24.

CRSTS - VLR Phase 2 Coventry Demonstration Route £2.3m - The VLR phase 2 project SOC was approved at January 23 WMCA Board. Latest forecasted costs have now been accrued.

FORECAST V BUDGET COMMENTARY

Swift CeMV Contactless Payment Broker £7.1m – Rephasing of activity into the next financial year.

Metro Network Enhancements - Wednesbury Depot Upgrades £6.6m - Construction work for a power upgrade has been rephased due to restricted access to works site and a deferral of the Target Cost 2 submission.

BSIP Bus Priority Cross City Routes £5.7m – The forecast for the year has been reduced to reflect the movement in the business case timeline. The OBC will now be submitted in August 2023.

Metro Line 1 Renovation £5.4m – The forecast for the year has been reduced to reflect that Board approval would take place later in the year than originally expected.

CRSTS - VLR Phase 2 Coventry Demonstration Route £2.8m - The VLR phase 2 project SOC was approved at January 23 WMCA Board, months later than originally planned. Budget at the beginning of the year assumed a submission earlier within the financial year and expenditure incurred Q2 onwards.

West Midlands Combined Authority Capital Programme Investment Programme Grants to Local Authorities – January 2023

	YEAR TO DATE - JANUARY 2023			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	42,331	70,794	28,463	50,847	83,671	32,824
Total Investment Programme Grants to Local Authorities	42,331	70,794	28,463	50,847	83,671	32,824

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2023, actual expenditure was £28.5m under budget.

Coventry City Centre South Regeneration - Coventry City Centre South £17.4m – change in scheme so deferred land acquisition costs to future years and it will take some time before construction costs are incurred.

CoW Technical Centre £5.2m - Funding agreement has now been exchanged between the two parties, the variance is due to the timing of the receipt of the funding claim.

UK Central HS2 Interchange £3.9m - this project is made up of several sub projects, the Roundabout Over Trace is underspent by £2.4m and NEC Roundabout by £1.3m, these variances represent changes to the phasing of expenditure not expected project life expenditure.

UK Central Infrastructure Package £3.6m - 24 sub-projects make up this project. The following sub-projects have seen slippage: Solihull Town Centre Low Carbon Energy Network £0.8m, A45 Damson Parkway Junction Improvements £0.3m, Accelerated Housing Delivery £0.4m, A452 Chester Road Corridor Enhancement £0.3m, Playing Pitch Implementation Strategy £0.3m.

Coventry Friargate Business District Phase 1 (£1.2m) - this variance is due to accelerated construction, plot acquisition and infrastructure costs as construction works are now expected to be complete by May 2023.

FORECAST V BUDGET COMMENTARY

Coventry City Centre South £20.8m - 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. As a result construction costs scheduled to incur in 2022/23 being deferred to 2023/24.

CoW Technical Centre £4.8m – Funding agreement has now been exchanged between the two parties, the variance is due to the timing of the receipt of the funding claim.

UK Central HS2 Interchange £4.5m - This is primarily due to the NEC Longabout sub-project. A change request has been submitted to re-scope the outputs of the project.

UK Central Infrastructure Package £3.5m - This project is made up of 24 sub-schemes. There have been forecast reductions on several sub-schemes resulting in an overall variance.

Coventry Regeneration Friargate (£1.1m) - 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.

	YEAR TO DATE - JANUARY 2023			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Housing	14,075	53,734	39,659	20,148	65,167	45,019
Total Housing	14,075	53,734	39,659	20,148	65,167	45,019

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2023, actual expenditure was £39.7m under budget.

BHF - Pipeline £15.9m - several projects due to commence during this year have not done so due to factors such as rising construction costs, inflation, complex land negotiations and securing planning permissions.

LPIF £7.1m -The variance is primarily in respect of the Phoenix 10 scheme (£3m) and uncommitted funds (£3.4m) which have been deferred to the next financial year.

BLPDF £6.9m – the underspend is largely due to the Shard End project which is now at risk of not progressing due to environmental issues and delays in work progressing with the LA. Viability of this project to be reviewed given the significant delays.

LF - Icknield Port Loop Phase 2a and 2b £2.5m - the developer has not met their grant conditions and so is not eligible for claiming any further grant funding. WMDC are currently preparing a report which will inform a grant variation agreement. It is likely this underspend will be recovered in future years.

BHF - Phoenix Park £2.1m - project cost inflation has been considered and the project is now due to go to Board early 2023.

FORECAST V BUDGET COMMENTARY

BHF – Pipeline £20.7m – See above - a number of projects anticipated to commence drawdown of spend before the end of the financial year have been rephased into the next financial year.

BLPDF £6.8m - This is largely due to Shard End project which has not yet commenced due to environmental reasons. This project is currently under review given the delays experienced.

LPIF £5.8m – The Phoenix 10 project is a complex remediation project. Works which were due to begin in January 23 have now been deferred to 2023/24.

LF - Icknield Port Loop Phase 2a and 2b £2.7m – This project has been paused as the developer has not met their grant conditions and so is not eligible for claiming any further grant funding. WMDC are currently preparing a report which will inform a grant variation agreement. It is likely this underspend will be recovered in future years.

BHF - Phoenix Park £2.5m - project cost inflation has been considered and the project is now due to go to Board early 2023.

	YEAR TO DATE - JANUARY 2023			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Net Zero Programme	461	7,026	6,564	3,803	8,894	5,091
Total Retrofit	461	7,026	6,564	3,803	8,894	5,091

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2023, actual expenditure was £6.6m under budget.

Social Housing Decarbonisation £4.5m - The delivery / installation phase commenced in January with contracts in place with the partners, following completion of the customer recruitment and property assessment.

Sustainable Warmth Competition £2m - The scheme is in the mobilisation phase, with the customer recruitment and property assessment being undertaken and the installations phased into Q4.

FORECAST V BUDGET COMMENTARY

Social Housing Decarbonisation £3.6m – The updated forecast reflects the latest schedule of works.

Sustainable Warmth Competition £1.6m - The updated forecast reflects the latest schedule of works.