

Appendix 1

West Midlands Combined Authority Transport Delivery Revenue Budget - October 2016



FINANCIAL SUMMARY AS AT OCTOBER 2016	OCTOBER 2016 YEAR TO DATE			FULL YEAR 2016/17			OVERALL REVENUE BUDGET STATUS GREEN
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
TRANSPORT FOR WEST MIDLANDS							
Income	13,631	13,631	0 0%	23,368	23,368	0 0%	<p>Contractual Expenditure: Favourable FY savings relates to Child £1.0m and ENCTS Concessions £0.300m as a result of a patronage decline and operator agreements. YTD savings relate to Child Concessions £0.400m and ENCTS concessions £0.100m.</p> <p>Net Op Ex: Adverse variance as a result of lower advertising rental from the new contract with Clear Channel that commenced in July (£0.300m) YTD and (£0.617m) FY.</p> <p>There is also a full year adverse variance of (£0.250m) primarily relating to increased expenditure as a result of the new Infrastructure contracts and other upward pressures on these budgets.</p> <p>There are YTD and FY savings within the staffing budget of £0.100m reflecting savings vacant posts offset by a reduction in capitalisation.</p> <p>Financing costs: Savings largely relate to the delayed opening of Bromsgrove Rail station resulting in a saving against MRP charges.</p> <p>Full Year Forecast Movement</p> <p>There has been a favourable movement within net operational expenditure of £0.200m relating to Bromsgrove Rail Station reflecting income from DfT and train operators partly offset by higher facility management costs.</p> <p>There has also been an increase in operational costs of £0.170m relating to the roll out of Swift to nTrain direct debit customers, this is offset by additional income as it is funded by DfT grant.</p> <p>There has been a favourable movement within staff costs of £0.260m due to savings against vacant posts and higher recharges to projects offset by a reduction in capitalisation.</p> <p>There are higher than budgeted reissue costs for concessionary passes of £0.07m and increased external advice costs across a number of budgets totalling £0.200m (inc £0.06m relating to Swift rollout that is grant funded).</p>
Contractual Expenditure	(48,781)	(49,300)	519 1%	(83,098)	(84,397)	1,299 2%	
Operational Income	4,961	5,356	(395) 7%	8,808	9,124	(316) 3%	
Operational Expenditure	(9,998)	(10,058)	60 1%	(17,881)	(17,415)	(466) 3%	
Net Operational Expenditure	(5,037)	(4,702)	(335) 7%	(9,073)	(8,291)	(782) 9%	
Financing Costs	(431)	(569)	138 24%	(938)	(996)	58 6%	
TOTAL RETURN	(40,618)	(40,940)	322 1%	(69,741)	(70,316)	575 1%	
CORPORATE SERVICES							
Income	59,186	59,186	0 0%	101,462	101,462	0 0%	<p>Net Op Ex: Adverse variance within staff costs FY (£0.393m) and YTD (£0.142m) relates to a reduction in capitalisation due to a restructure of the PMO team and higher staff recruitment costs. There is a favourable variance within infrastructure of £0.139m YTD and £0.150m FY, this is due to a rates refund for Wolverhampton, Halesowen, Wednesbury Bus station and West Midlands, following a rateable value review.</p> <p>There is also a favourable variance YTD of £0.200m within the marketing budget largely due to the timing of various marketing activities such as TBT partnership, concession and digital media marketing which will take place later in the year than initially budgeted and hence forecast to be fully spent by March.</p> <p>Financing Costs - Adverse YTD and FY variances are due to reorganisation costs (£0.500m) offset by a favourable movement on loan interest as a result of no borrowing to date £0.200m.</p> <p>Full Year Forecast Movement</p> <p>There is an adverse movement within the FY staffing budget largely relating to a reduction in capitalisation (£0.160m) and increased staff recruitment costs (£0.100m).</p> <p>There is a favourable movement within the rates budget of £0.160m relating to refunds received.</p>
Contractual Expenditure	0	0	0 0%	0	0	0 0%	
Operational Income	594	641	(47) 7%	977	984	(7) 1%	
Operational Expenditure	(5,912)	(6,115)	203 3%	(10,749)	(10,397)	(352) 3%	
Net Operational Expenditure	(5,318)	(5,474)	156 3%	(9,772)	(9,413)	(359) 4%	
Financing Costs	(13,453)	(13,236)	(217) 2%	(22,886)	(22,672)	(214) 1%	
TOTAL RETURN	40,415	40,476	(61) 0%	68,804	69,377	(573) 1%	
LEVY	72,817	72,817	0 0%	124,830	124,830	0 0%	
TOTAL EXPENDITURE	(73,020)	(73,281)	261 0%	(125,767)	(125,769)	2 7%	
VARIANCE	(203)	(464)	261 18%	(937)	(939)	2 7%	

