

EXPENDITURE IN THE WEST MIDLANDS

2018-19

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This leaflet contains information about the West Midlands Combined Authority (WMCA) budget for 2018-19. The budget for the following year is £172.9 million. A major proportion of the budget, £114.7 million, will go towards Transport for West Midlands which includes funding for free bus, train and tram travel for elderly and disabled residents.

WMCA

Focusing on its core areas of Strategy; Housing & Land; Productivity & Skills; Health & Wellbeing; Transport and Public Service Reform, the WMCA has achieved a number of successes since March 2017, including:

- Securing a second devolution deal that will see £1.1 billion of government funding come into the region which will be used to drive an £8 billion investment programme over the next 30 years
- Continuing a £200 million brownfield remediation fund to clean up 1,600 hectares of contaminated industrial land and bring it back into use
- Launching the Greater Icknield and Smethwick Housing Growth Prospectus, a blueprint to accelerate building the £400 million development of 5,160 new homes in Birmingham and Sandwell
- Helping thousands of disadvantaged people and long-term jobseekers with specialist tailored advice and support to get into work as part of a £4.5 million scheme
- Launching the Productivity and Skills Commission to provide impartial support and advice to the WMCA as it seeks to reduce unemployment, improve people's job skills and secure better productivity
- Creating the West Midlands Growth Company to attract investment, jobs, visitors and businesses to the region, working in partnership with Local Enterprise Partnerships (LEPs), local authorities, growth hubs, universities and the private sector
- Introducing the Leadership Commission, a group of inspirational role models to help people from under-represented parts of society reach senior positions in their careers; A Homelessness Taskforce to design out

homelessness through co-ordinated working between the public, private and voluntary sectors on schemes such as Change Into Action; and the Mayor's Mentors scheme, providing advice and guidance for young people.

- Continuing to invest in the redevelopment of the region through the £60 million Collective Investment Fund which this year included projects in Coventry, Dudley, Walsall and Wolverhampton
- Implementing the Land Delivery Action Plan to unlock hundreds of hectares of land for housing and commercial use, providing jobs and economic growth
- Officially backing Birmingham City Council's successful bid to host the Commonwealth Games which will take place in 2022.

In 2018/19, the WMCA will:

- Create a regional training initiative for the construction industry to provide more people with the skills they need to find employment in this important regional sector
- Work with the region's key employers, colleges and universities to ensure we are providing the training and technical education that our economy needs now and in the future
- Provide additional support to help those who are unemployed or in low-paid employment to gain the skills they need to find good jobs
- Ensure that the findings of the Productivity and Skills Commission inform the WMCA's policy and investment priorities
- Successfully transfer control of the Adult Education Budget from the Department for Education to the WMCA, using our local knowledge to better meet local employer and community skills needs

- Progress the development of an industrial strategy and establish the West Midlands Inclusive Growth Unit to drive economic inclusion across the region and build the links between growth and public service reform
- Drive the development of the West Midlands' digital economy to help transform public services and leverage in opportunities for economic inclusion
- Work with central government to create a platform for public service reform in line with 'whole-place' principles - providing better services at less cost by identifying and avoiding duplication
- Develop the West Midlands Office for Data Analytics, providing a robust analytical platform for whole-place change across the region
- Improve the situation for those with mental health issues in the workplace through initiatives such as the Thrive West Midlands action plan, aiming to reduce the impact of poor mental health across the region
- Drive forward progress on mental health innovation through new initiatives supporting people into work and those within the criminal justice system
- Develop a platform for criminal justice devolution in the West Midlands, based on better support for vulnerable groups (women and children) within the system
- Deliver on the promise of our West Midlands on the Move physical activity strategy as part of the legacy for the Birmingham Commonwealth Games and Coventry City of Culture
- Commit to embedding health and wellbeing considerations and requirements into major infrastructure developments
- Develop a West Midlands Inequalities Alliance involving local government health bodies and other key stakeholders to ensure that everybody has the right to good physical and mental health
- Support programmes across the West Midlands which will allow every child to fulfil their potential.

TRANSPORT FOR WEST MIDLANDS

Transport for West Midlands (TfWM), the transport arm of the WMCA, is responsible for the delivery of public transport and 322 million passenger journeys a year in the region.

TfWM works alongside the seven Metropolitan Districts to ensure that the 2.8 million people who live and work in the region benefit from an effective transport system that meets the economic and environmental needs of the West Midlands, as well as providing access to jobs, finding innovative ways to help reduce congestion and offering seamless connectivity for people and goods to UK and overseas markets.

TfWM manages 12 bus stations and provides over 11,000 passenger stops, stands and shelters with many interchanges. Passenger information is found at all these, along with Real Time Information (RTI) displays at 1,343 shelters and 109 stops showing when your next bus will arrive. RTI is also found at all local rail stations and all Metro stops.

TfWM also works in partnership with operators to develop integrated ticketing that meets customer needs. It oversees the National Travel Concessionary Scheme for West Midlands' residents, with 510,000 registered card holders who made 59 million journeys in 2016-17. It also subsidises socially necessary bus services at a cost of £8.3 million.

TfWM provides park and ride facilities, works with operators to provide other improvements, such as the West Midlands Bus Alliance and devolving powers to local rail services through West Midlands Rail. As owners of Midland Metro, TfWM promotes and develops Line One and its planned extensions. TfWM is committed to improving the environment, cutting CO2 emissions and offering sustainable travel options including cycling.

Ring and Ride, primarily funded by TfWM, is the main demand-responsive transport service for people in the West Midlands with limited mobility. 112 buses provide over 830,000 trips a year for nearly 17,500 registered users.

In the past year, TfWM has achieved several milestones across the region:

BUS

- Successful second year of the West Midlands Bus Alliance – and recommitment from all major stakeholders for the next two years, with reviewed governance to focus on delivery
- A forward plan chosen and developed for Dudley Interchange, which will integrate Wednesbury to Brierley Hill Metro Extension and Dudley Town Centre regeneration proposals
- Developed and delivered the Solihull Advanced Quality Partnership Scheme, the first of its kind in England, using new legislative powers
- Apprentices and trainees aged 16-18 received half price travel on buses, meaning an extra 31,000 young people across the metropolitan area enjoyed the discount. The scheme was rolled out to all buses, rail and tram services
- The Sprint, bus-based rapid transit mode project was further progressed, including developing the provision of 18 metre street-running vehicles.

RAIL

- The new West Midlands Trains franchise (jointly specified by DfT and the West Midlands Rail partnership of local authorities within WMCA) was launched in December. This has secured significant improvements to local rail services until 2021, including:
 - a new Coventry – Kenilworth – Leamington Spa train service
 - additional carriages, providing over 30% more capacity
 - more services, particularly evenings and weekends
 - improved compensation for passengers when services are delayed by 15 minutes or more
- Secured funding for transformation of Coventry and Wolverhampton stations into regional gateways and transport interchanges
- Led development of Birmingham's University Station transformation project, bringing together all stakeholders

- Development of a new West Midlands Stations Alliance proposal to drive forward improvements at local stations for passengers and local communities
- The successful Commonwealth Games Bid which includes key transport infrastructure for Perry Barr station, University station and three Sprint rapid transit corridors to support the Birmingham 2022 event.

METRO

- Passenger numbers on Midland Metro increased to more than 8m for the first full year of the Birmingham City Centre Extension
- The Bilston Road track replacement scheme was completed on time and within budget
- Government funding was secured for the Metro extensions to Edgbaston (£60m) and Wednesbury Brierley Hill (£207m)
- Transport and Works Act Orders were submitted for the Edgbaston and Wednesbury Brierley Hill extensions
- A Public Inquiry was held for the Birmingham Eastside Extension.

SWIFT

- The introduction of secure ticketing onto Swift provides replacements if lost and access to a wide network of retail opportunities including on-line. This has been hugely popular with children and significantly grown Swift, with 94,000 regular customers undertaking 3.6m journeys per month
- Swift rolled out onto the rail network with all nTrain and nNetwork direct debit customers now using the smartcard, including customers from outside the region. Over 16,000 Swift users now used it on the railway
- Swift vending introduced at Wolverhampton bus station has allowed people to obtain a Swiftcard and purchase Swift tickets outside Travel Information Centre opening hours. This significant technical and commercial success will see rollout of a further 20 machines across the network.

NETWORK RESILIENCE

- The region's Key Route Network was defined and studies completed for the 23 corridors across the West Midlands Metropolitan Area
- Effective management of network disruption caused by major infrastructure investment, maintenance and events, including M5 J1-2 Oldbury Viaduct works and Birmingham Velo
- Continued network resilience improvements including securing over £6m for development and delivery of bus priority schemes
- Establishment of a partnership/stakeholder group which brings together all of the senior officers involved in the delivery of the region's transport infrastructure improvements, with the aim of mitigating the impacts of construction and managing congestion in order to keep the West Midlands open for business
- Developing a business case for a Regional Integrated Command Centre.

SUSTAINABLE TRAVEL

- Transition of the award-winning WorkWise project to an online platform to support people back into employment
- West Midlands Bikeshare scheme developed for the West Midlands Metropolitan Area
- Delivery of Walking and Cycling programmes in partnership with Cycling UK and Living Streets.

In the next 12 months, TfWM will deliver the 2018/19 Capital Programme, including asset maintenance and upgrades, continue to develop a more detailed transport plan to support the Commonwealth Games and Coventry City of Culture major events, as well as the following initiatives:

BUS

- Ensure bus operators are ready for delivery of the Clean Air Zone in Birmingham and Coventry and build on successes of potential Clean Bus Technology Fund awards (£7m)
- Effectively manage the subsidised bus network, Ring & Ride, accessible transport and associated infrastructure
- Realise the aspirations of the Bus Alliance 50 deliverables, including Network Development Plans, tackling congestion, speeding up journey times and improving passenger satisfaction
- Maximising commercial funding from infrastructure, including advertising revenues
- A new Park and Ride team will be developed to improve the facilities offered in this area of sustainable travel, increasing capacity and leveraging in additional funding
- A new bus station will be developed in Dudley as part of the town's wider interchange programme
- Using powers from the Bus Services Bill, we will continue to support an integrated network, optimising opportunities for bus growth
- The business case for Sprint will be developed and approved so that the project can advance to the design stage.

RAIL

- Birmingham's Cross City line will be extended to the new Bromsgrove Station
- There will be more off-peak services between Walsall-Cannock-Rugeley and Birmingham-Wolverhampton-Telford-Shrewsbury
- Additional through services will be provided for Walsall to Birmingham Airport and London, Coventry to Wolverhampton and Liverpool
- A new Service Quality Monitoring system to drive up standards of cleanliness and customer service will be introduced
- New carriages will provide greater capacity on routes across the region, including Coventry-Nuneaton, Solihull-Birmingham, Stourbridge-Cradley Heath-Birmingham and Birmingham-Walsall-Cannock
- Business cases for new rail stations will be developed and approved to enable progression to the design stage
- Development of the HS2 Connectivity Package will continue so that the benefits of HS2 are maximised in the West Midlands.

METRO

- TfWM, through Midland Metro Limited, will take over day-to-day Metro operations and plough millions of pounds of future profits back into the system
- A Public Inquiry for the Wednesbury to Brierley Hill extension will be held and accelerated construction begin
- An Outline Business Case and Transport and Works Act Order will be submitted for the East Birmingham and Solihull extension
- Construction will continue of the Centenary Square, Edgbaston, Wednesbury Brierley Hill and Wolverhampton City Centre extensions
- The enhanced rail / Metro integration at Snow Hill Station will be developed and delivered through the provision of a third access.

SWIFT

- A best value capping system will be developed. Customers will be able to use their own contactless bank card, or an enhanced version of the Swift Pay-As-You-Go card, to get the best fare

- Through West Midlands Trains, investment in smart infrastructure on the rail network will see each station equipped with Swift validators and ticket vending machines, enabling more local rail tickets onto the Swift system
- Swift will diversify into different modes and sectors with it likely to be used to hire bikes, pay for parking and a Swift taxi payment pilot will be held. It will merge with other cards provided by local authorities, such as Wolverhampton's WV Active leisure card, so customers can seamlessly access leisure facilities and public transport.

NETWORK RESILIENCE

- Continue to work with key stakeholders in Birmingham City Centre so that network resilience remains robust
- Publish and communicate a congestion plan to manage demand on our road network. This will include delivering behaviour change programmes alongside partners and working with business and communities to lessen the impact of roadworks by stimulating alternative travel choices and encouraging modal shift to sustainable journeys. This will also see the delivery of a road investment strategy for the key route network which establishes safer, more efficient and improved capacity on our highway infrastructure
- Develop a detailed transport plan to support both Coventry City of Culture in 2021 and the 2022 Commonwealth Games
- Finalise the business case for the control centre and secure funding for delivery.

SUSTAINABLE TRAVEL

- The second Managing Short Trips initiative for cycling infrastructure in the Black Country will be delivered
- The West Midlands Bikeshare scheme will be provided
- An expanded Park and Ride multi-deck car park at Longbridge Station will be constructed.

WHERE THE MONEY COMES FROM AND HOW WE SPEND IT

WMCA Consolidated Revenue Budget

| £ Million | Total | Mayor | Operational | Transport | Investment Programme |
|---------------------------------|--------------|------------|-------------|--------------|----------------------|
| INCOME | | | | | |
| TRANSPORT LEVY | 114.7 | - | - | 114.7 | - |
| DEVOLUTION DEAL GRANTS | 42.5 | 0.5 | 5.5 | - | 36.5 |
| BUSINESS RATES GROWTH | 8.1 | - | - | - | 8.1 |
| MEMBERSHIP | 1.8 | - | 1.8 | - | - |
| COMMISSIONS | 1.1 | - | 1.1 | - | - |
| CORPORATE SERVICES | 1.7 | - | 1.7 | - | - |
| NON CONSTITUENT MEMBERS | 0.4 | - | 0.4 | - | - |
| INVESTMENT INCOME | 0.5 | - | 0.5 | - | - |
| 3RD PARTY INCOME | 0.4 | - | 0.4 | - | - |
| USE OF RESERVES | 1.7 | 0.3 | 0.4 | 1.0 | - |
| | 172.9 | 0.8 | 11.8 | 115.7 | 44.6 |
| EXPENDITURE | | | | | |
| MAYORAL OFFICE | 0.8 | 0.8 | - | - | - |
| TRANSPORT DELIVERY | 115.7 | - | - | 115.7 | - |
| OPERATIONAL BUDGET | 11.8 | - | 11.8 | - | - |
| INTEREST PAYABLE | 3.6 | - | - | - | 3.6 |
| INVESTMENT PROGRAMME GOVERNANCE | 1.0 | - | - | - | 1.0 |
| CAPITAL EXPENDITURE FINANCING | 40.0 | - | - | - | 40.0 |
| | 172.9 | 0.8 | 11.8 | 115.7 | 44.6 |

| WMCA Operational Budget Further Breakdown | 2017/18 Budget £ Million | 2018/19 Budget £ Million |
|--|-----------------------------|-----------------------------|
| ECONOMIC GROWTH | 1.2 | 1.8 |
| HOUSING & LAND | 0.1 | 1.1 |
| HEALTH & WELLBEING | 0.2 | 0.7 |
| PUBLIC SERVICE REFORM | 0.5 | 0.8 |
| SKILLS & PRODUCTIVITY | 1.9 | 4.7 |
| COLLECTIVE INVESTMENT FUND | 0.4 | - |
| TRANSPORT | 0.1 | - |
| LEADERSHIP & SUPPORT | 1.2 | 2.7 |
| EXPENDITURE TOTAL | 5.6 | 11.8 |

| Capital Expenditure and Funding (£ Million) | 2018/19 | 2019/20 | 2020/21 |
|--|--------------|--------------|--------------|
| BUSINESS INNOVATION | 1.1 | 3.3 | 11.4 |
| ECONOMIC REGENERATION | 143.7 | 45.7 | 68.4 |
| TRANSPORT | 153.7 | 253.7 | 317.3 |
| TOTAL EXPENDITURE | 298.5 | 302.7 | 397.1 |
| GRANTS | 42.2 | 125.5 | 175.7 |
| BORROWING | 256.3 | 177.2 | 221.4 |
| TOTAL FUNDING | 298.5 | 302.7 | 397.1 |

| TfWM Net Budget Spending £114.7m Further Breakdown | 2017/18 £ Million | 2018/19 £ Million |
|--|----------------------|----------------------|
| CONCESSIONS FOR ELDERLY AND DISABLED PEOPLE | 52.5 | 51.4 |
| ACCESSIBLE TRANSPORT (RING & RIDE SERVICES AND OTHER CONCESSIONS) | 21.4 | 21.2 |
| SUBSIDISED BUS SERVICES | 7.8 | 8.3 |
| BUS SERVICES, INFRASTRUCTURE & INFORMATION | 12.4 | 12.4 |
| RAIL SERVICES | 2.8 | 3.7 |
| NETWORK RESILIENCE | 0.0 | 0.7 |
| STRATEGIC DEVELOPMENT & ELECTED MEMBERS | 2.3 | 2.3 |
| CORPORATE SERVICES | 3.4 | 3.0 |
| FINANCING COSTS | 18.9 | 12.7 |
| TOTAL EXPENDITURE | 121.5 | 115.7 |
| LESS: USE OF RESERVES | 0.0 | (1.0) |
| NET EXPENDITURE | 121.5 | 114.7 |
| FUNDED BY: DISTRICT LEVY | 121.5 | 114.7 |

| Levy £114.7m | Population | £ Million | % |
|---------------|------------------|--------------|---------------|
| BIRMINGHAM | 1,124,569 | 45.0 | 39.2% |
| COVENTRY | 352,911 | 14.1 | 12.3% |
| DUDLEY | 317,634 | 12.7 | 11.1% |
| SANDWELL | 322,712 | 12.9 | 11.2% |
| SOLIHULL | 211,763 | 8.5 | 7.4% |
| WALSALL | 278,715 | 11.2 | 9.8% |
| WOLVERHAMPTON | 256,621 | 10.3 | 9.0% |
| TOTAL | 2,864,925 | 114.7 | 100.0% |

This is equal to a gross levy of £40.04 for each resident. Individual Councils receive a central government grant towards these costs.