



Environment & Sustainable Communities Committee

Agenda Item

13

13 November 2023

Title:	Budget and Performance Report
Report of:	Tim Greenwood, Finance Manager
Lead Member:	Councillor Bridget Smith, Chair of the Environment and Sustainable Communities Committee
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	No vote required.

Recommendations:

A	Note the financial position of the Environment and Sustainable Communities Division for the financial year 23/24 to September 2023
B	Review and comment on the current Environment and Sustainable Communities budgets within the Combined Authority's Medium-Term Financial Plan and Capital Programme.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Achieving best value and high performance

1. Purpose

1.1	To provide an update of the financial position for 2023/24 and to provide analysis against the 2023/24 budgets, up to the period ending September 2023
-----	--

2. Background

2.1	At the last meeting, the Committee was provided with an analysis of the 2023/24 performance against budget to June 2023. This report provides an update covering up to September 2023.
-----	--

3. Revenue Expenditure

3.1 A breakdown of the Environment and Sustainable Communities Revenue Expenditure for the period to 30 September 2023 is set out in Table 1 below.

Table 1

Environment and Sustainable Communities Revenue Expenditure	23/24 Actual YTD £k	23/24 Budget YTD £k	23/24 Variance YTD £k	23/24 Budget FY £k	23/24 FO FY £k	23/24 Variance FY £k	23/24 Deferral £k
Climate Change	13	20	-7	50	50	0	-
Environment and Spatial Planning Staff	104	124	-19	248	248	0	-
Huntingdonshire Biodiversity for all - Revenue	0	20	-20	100	100	0	-
Natural Cambridgeshire	0	32	-32	80	80	0	-
GSE Net Zero Investment Design	12	313	-301	12	12	0	-
HUG1 - Revenue	73	223	-150	433	433	0	-
HUG2 A Revenue 23/24	308	0	308	6192	3942	-2,250	-
LAD3 - Revenue - (Sustainable Warmth)	385	1,214	-829	2429	2429	0	-
Local Energy Advice Demonstrator	28	0	28	0	2170	2,170	-
Net Zero Hub	0	0	0	0	1495	1,495	-
Net Zero Hub Core	428	233	195	1419	1495	76	-
Rural Communities Energy Fund	141	277	-136	445	445	0	-
Public Sector Decarbonisation	38	20	18	1222	230	-992	-
Total Environment Revenue Expenditure	1,530	2,475	-945	12,630	13,129	499	-

3.2 Expenditure to date is £945 lower than budget to date.

3.3 Forecast outturn is expected to be in line with estimated budget, any variance on the net zero hub will either be funded from grant or carried forward to complete the project,

4. Capital Expenditure

4.1 A breakdown of the Environment and Sustainable Communities Capital Expenditure for the period to 30 September 2023 is set out in Table 2 below.

Table 2

Environment and Sustainable Communities Capital Expenditure	23/24 Actual YTD £k	23/24 Budget YTD £k	23/24 Variance YTD £k	23/24 Budget FY £k	23/24 FO FY £k	23/24 Variance FY £k	23/24 Deferral £k
Care Home Retrofit Programme	0	800	-800	2,000	500	-1500	1500
Huntingdonshire Biodiversity for all - Capital	0	290	-290	800	800	0	-
Logan's Meadow Local Nature Reserve wetland extension	0	92	-92	280	280	0	-
Nature and Environment Investment Fund	0	100	-100	250	250	0	-
Net Zero Villages Programme	0	400	-400	1000	1000	0	-
HUG1 - Capital	1176	2799	-1623	2799	2799	0	-
HUG2 A Capital 23/24	0	0	0	36378	22338	-14,040	-
LAD3 - Capital (Sustainable Warmth)	4264	11281	-7017	7447	7447	0	-
Total Environment Capital Expenditure	5,440	15,762	-10,322	50,954	35,414	-15,540	1500

4.2	Whilst expenditure to date is lower than budget all projects except the care home retrofit programme are expected to spend to budget by the end of the financial year.
4.3	<p>Forecast outturn shows an underspend against budget of £15.5m. With regard to HUG 2 both revenue and capital forecasts are in line with the reduced overall grant funding agreed with DESNZ following submitted Change Requests, the budget going forward needs to be amended to reflect this reduced overall programme. Following this required budget adjustment in future this project will show a balanced position.</p> <p>The Local Energy Advice Demonstrator and Net Zero Hub projects require underspent budgets to be brought forward from 2022/23 and again once this is actioned the projects will show a balanced position.</p> <p>In respect of the Public Sector Decarbonisation project this will not fully deliver in 2023/24 and the final overall underspent budget will be carried forward into 2024/25 to complete and fully deliver the overall project.</p> <p>For the care home refit programme. This is because initial expressions of interest were below expectations, officers are working with care homes to identify any future plans which could be accelerated. The programme has been reviewed with some expenditure slipping into 2024/25.</p>

5. Development of the Medium-Term Financial Plan

5.1	<p>As was reported to the Committee at their last meeting the Combined Authority has been 're-costing' its Medium-Term Financial Plan (MTFP) as part of the annual budget setting cycle. The re-costing exercise is to update the costs of existing commitments within the Combined Authority's services and programmes to reflect changes since the budget was last set in January 2023 – this allows Committees to review the current view of their portfolios for the next 4 years and enables the Combined Authority to review what, if any, headroom is available for new proposals.</p> <p>The table included in Appendix 1 include the results of this work, as it relates to the Environment and Sustainability Committee.</p> <p>The main change is reflecting slippage of the care home refit programme from 2023/24 to 2024/25 as reported above.</p>
5.2	<p>The November Combined Authority Board will be presented with a draft Corporate Plan, incorporating the re-costed MTFP.</p> <p>There is potential for additional proposals to be included into the draft MTFP at this stage and Officers are working with the Combined Authority Board to establish proposals for inclusion in the draft MTFP ahead of the consultation in December.</p>

6. Appendices

6.1	Appendix 1 – Current budget and MTFP
-----	--------------------------------------

7. Implications

Financial Implications

5.1 There are no financial implications other than those included in the main body of the report.

Legal Implications

6.1 The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

Public Health Implications	
7.1	N/A
Environmental & Climate Change Implications	
8.1	N/A
Other Significant Implications	
9.1	N/A
Background Papers	
10.1	None