



Environment & Sustainable Communities Committee

25 October 2024

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 24/25 to the end of the first quarter, June 2024
B	Note 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 2024/25 and to provide analysis against the 2024/25 budgets, up to the period ending June 2024
1.2	To provide the Committee with an update on the multi-year budgets within the 2025-26 Medium Term Financial Plan.

2. Background

2.1	This report provides an update of the performance against budget for the first quarter, up to the period ending June 2024.
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3.1 A breakdown of the Environment and Sustainable Communities income for the period to 30 June 2024 is set out in Table 1 below.

The majority of funding is for the Net Zero Hub, with only the Biodiversity Net Gain grant relating to the rest of the Committee's budgets – this reflects that the Committee's delivery is funded from CPCA general funds rather than ringfenced grants.

Table 1

Environment and Sustainable Communities Income	24/25 Actual YTD £k	24/25 Budget YTD £k	24/25 Variance YTD £k	24/25 Budget FY £k	24/25 FO FY £k	24/25 Variance FY £k	24/25 Deferral £k
Biodiversity Net Gain Grant	-27	0	-27	0	-27	-27	-
GSEnz Hub programmes below							
Community Energy Fund	-1,400	0	-1,400	0	-1,400	-1,400	-
DESNZ Regional Skills Pilot	-9	0	-9	-48	-48	0	-
Local Energy Advice Demonstrator	0	-2,170	2,170	-2,170	-2,170	0	-
Net Zero Hub	-2,020	-703	-1,317	-703	-2,723	-2,020	-
Public Sector Decarbonisation	-400	0	-400	0	-400	-400	-
HUG2 A Capital	0	0	0	-47,953	-20,359	27,594	-
Total Environment Income	-3,829	-2,873	-983	-50,874	-27,127	23,747	-

3.2 Income to date is £983k higher than budget to date mainly due to timing differences. Further details can be provided at the meeting.

3.3 At year end there is a forecast reduction in income from Net Zero of £23.774m. This is matched to a corresponding reduction in expenditure detailed below.

3.4 A breakdown of the Environment and Sustainable Communities Revenue Expenditure for the period to 30 June out in Table 2 below.

Table 2

Environment and Sustainable Communities Revenue Expenditure	24/25 Actual YTD £k	24/25 Budget YTD £k	24/25 Variance YTD £k	24/25 Budget FY £k	24/25 FO FY £k	24/25 Variance FY £k	24/25 Deferral £k
Delivering the Climate Action Plan	0	0	0	102	102	0	-
Developing Climate Evidence and Data	0	0	0	98	98	0	-
Future Fens	0	0	0	70	70	0	-
Greater Cambridge Chalk Stream Project	0	0	0	26	26	0	-
Huntingdonshire Biodiversity for all	65	15	50	150	150	0	-
Local Area Energy Plan	0	0	0	60	60	0	-
Natural Cambridgeshire	70	70	0	80	80	0	-
Sustainable Infrastructure	0	0	0	400	400	0	-
GSEnz Hub programmes below:							
DESNZ Regional Skills Pilot	-19	12	-31	48	48	0	-
Community Energy Fund	194	239	-45	954	954	0	-
HUG2 A 23/24 A&A Costs	389	1,965	-1,576	7,860	3,566	-4,294	-
LECSG Core HUB	2	293	-291	1,170	1,170	0	-
Local Energy Advice Demonstrator	98	798	-700	3,190	3,190	0	-
LOCAL NET ZERO ACCELERATOR PROGRAMME	432	0	432	0	0	0	-

	Net Zero Hub	296	638	-342	2,550	2,550	0	-
	Net Zero Hub Staff	6	0	6	0	0	0	-
	Public Sector Decarbonisation	38	409	-371	1,637	1,637	0	-
	Rural Communities Energy Fund	42	58	-16	230	230	0	-
	Social Housing Technical Assistance	11	5	6	22	22	0	-
	Total Environment Revenue Expenditure	1,624	4,502	-2,878	18,647	14,353	-4,294	-
3.5	Forecast outturn is expected to be lower than budget due to the revised delivery programme for Net Zero please see the explanation in the capital section of this report.							

4. Capital Expenditure

4.1 A breakdown of the Environment and Sustainable Communities Capital Expenditure for the period to 30 June 2024 is set out in Table 3 below.

Table 3

Environment and Sustainable Communities Capital Expenditure	24/25 Actual YTD £k	24/25 Budget YTD £k	24/25 Variance YTD £k	24/25 Budget FY £k	24/25 FO FY £k	24/25 Variance FY £k	24/25 Deferral £k
Care Home Retrofit Programme	1	0	1	2,000	2,000	0	-
Huntingdonshire Biodiversity for all	0	0	0	1,024	1,024	0	-
Logan's Meadow Local Nature Reserve wetland extension	0	0	0	280	280	0	-
Nature and Environment Investment Fund	0	100	-100	1,000	1,000	0	-
Net Zero Villages Programme	0	0	0	1,000	1,000	0	-
GSEnz Hub programmes below:							
HUG1 - Capital	0	0	0	0	0	0	0
HUG2 A Capital 24/25	390	12,767	-12,377	51,069	27,756	-23,313	0
LAD3 - Capital (Sustainable Warmth)	0	0	0	0	0	0	0
Total Environment Capital Expenditure	391	12,867	-12,476	56,373	33,060	-23,313	0

4.2 Expenditure to date is lower than budget all mainly due to the revised delivery programme for Net Zero as explained below.

4.3 Forecast outturn shows an underspend against budget of £23.3m due to Net Zero. The HUG2 programme had a significant underspend in 2023/24 and the budget was rolled forward in to the programme for 2024/25. This is a ringfenced grant and cannot be spent elsewhere. The revised delivery profile which was reported as in discussion with DESNZ (the funding Department) for 2024/25 has now been agreed and this outturn reflects the revised level of delivery.

While the spend to end of June is low at only £389k, there is £5.1m of capital works approved and in progress with a further £0.914m queued waiting for approval from DESNZ. This expenditure will start being seen through the Combined Authority's accounts following delivery and subsequent invoicing from the delivery partners.

5. Development of the Medium-Term Financial Plan

5.1 The Combined Authority annually approves a budget for the forthcoming year as part of a 4-year Medium-Term Financial Plan (MTFP). Development of the plan occurs between September and January each year, and the Thematic Committees are encouraged to engage throughout to provide the opportunity to shape the development of the budget.

5.2	Appendix 1 sets out the current revenue and capital budgets within the Committee's remit for 2024-25 to 2027-28, as approved by the CA Board in January 2024, and updated for subsequent Board decisions and funding announcements.
5.3	The Committee are asked to note their current programme and note that a more significant review of the corporate strategy and MTFP are planned for 2025 towards 2029.

6. Appendices

6.1	Appendix 1 – Current budget and MTFP
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7. Implications

Financial Implications	
7.1	There are no financial implications other than those included in the main body of the report.
Legal Implications	
7.2	The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.
Public Health Implications	
7.3	N/A
Environmental & Climate Change Implications	
7.4	N/A
Other Significant Implications	
7.5	N/A
Background Papers	
7.6	None