

Somerset Rivers Authority Board Paper

Title: Quarter 2 2017-18 Finance report

RECOMMENDATION

The SRA Board is asked to:

1. Note the financial performance as at the end of Quarter 2 of 2017-18
2. Approve the re-allocation of £103,150.62 remaining budget from completed actions to contingency

Purpose of the item:

To update the Board on the SRA's financial position, as at the end of Quarter 2 2017-18

To approve the reallocation of the remaining budget, from completed actions to contingency.

Background and context

This report, together with associated documents, delivers the financial reporting requirements consistent with the SRA Constitution and Local Memorandum of Understanding which states:

2.5 Host Authority

2.5.1 As recipient and accountable body for the funding contributions from Somerset's local authorities, SCC shall act on behalf of the SRA Board as Host Authority. In particular it shall:

- Provide the services of its Chief Financial Officer and Monitoring Officer at no cost;
- Provide accounting, financial analysis, accounts payable and receivable.

2.5.3 The SRA shall, where relevant and unless otherwise agreed, operate in accordance with Host Authority practices and procedures, including the following:

- Financial regulations;

The SRA Half Year Report (Item 9) includes a financial summary (Table A) together with an analysis of spend and details of the works carried out during the first 6 months of this year. This report reproduces the financial summary, and should be read in conjunction with the First Half Year report. This report gives further details on the financial position and includes a proposal for moving remaining budget from a number of completed actions to contingency

1. Financial Performance

Table A below summarises the financial position, split by funding source, as at Quarter 2 of 2017-18

Table A: Somerset Rivers Authority 1H 2017-18 Financial Summary

	Total 2017- 18 Budget £'000	Committed by Delivery Partners £'000	Remaining Budget £'000	Paid to Delivery Partners £'000
Current Year's Actions				
2017-18 Enhanced Programme	2,398	279	2,119	83
Prior Years' Actions				
2016 -17 Enhanced Programme	1,626	881	745	439
2015 -16 Enhanced Programme	408	133	275	118
CLG Programme	176	34	142	13
Other				
Provision for Sowey/KSD and/or Pioneer Dredging	1,004	0	1,004	0
Contingency***	135	0	135	0
SRA Administration & Staffing	200	200	0	116
Total	5,947	1,527	4,420	769
Heart of the SW LEP, Growth Deal Funded Projects*				
Sowey/KSD, Bridgwater Tidal Barrier, Slow the Flow		881		700
Taunton Strategic Flood Alleviation Scheme				
Total Spent 2017-18**				1,469

* No 2017-18 budget included as delivery will be over a 7-year period up to 2021 with no defined annual budget

**Spent: Amount claimed by delivery partners from the SRA during the first half of 2017-18

***Amalgamation of all contingency funds

In the first half of 2017-18 the SRA processed Delivery Partner claims totalling £1,469k. Of the £1,469k claimed, £700k of these relate to Growth Deal funded projects including Bridgwater Tidal Barrier, Taunton Strategic Flood Alleviation Schemes, Land Management and Sowey. Claims for other funding streams include Pumping station repairs, Main River Asset Improvements and Wessex De-Silting. Due to the time lag between the Delivery Partners receiving their contractor invoices and consequently the claim being raised with the SRA this value does not reflect actual spend or commitment made by Delivery Partners. This is a concern especially for Growth Deal funded projects as it could impact on the Spending Profiles which have been agreed with the LEP.

Actual spend and commitments of £2,408k (including Growth Deal) have been made by the Delivery Partners. Of this commitment only £279k is for actions which are part of the 2017-18

Enhanced Programme, including Taunton Strategic Flood Alleviation Improvements Scheme, Local Highway Enhanced Maintenance and Enhanced Maintenance of Sedgemoor District Council flood relief and drainage assets. This leaves a further £2,119k which has not yet been committed - of which £1,006k relates to Workstream 1 and £764k relates to Workstream 4.

These commitments also include £881k of Growth Deal funding for actions including Sowey, Bridgwater Tidal Barrier and Land Management. The remaining commitment of £1,248k relates to previous years funding for actions including Cannington Flood Alleviation scheme, Main River Asset Improvements, Desilting of Structures and Local Highway Enhanced maintenance.

Contingency from previous years funding for the enhanced programmes has now been amalgamated and the total, excluding the request for reallocation, is shown in Table A as £135k.

2. Re-allocation of remaining budget

Following the implementation of the SRA claim process in summer 2016 and taking into account the time lag in delivering partner claims as mentioned above, we are able to confirm actual costs for completed actions. Thirteen completed actions from previous years' Enhanced Programmes have shown an underspend of £92,946.13 and with the inclusion of the underspend in SRA staffing and administration the total is £105,732.20. Four completed actions have overspent their allocated budget to the value of £2,581.58. Table B below shows the breakdown of these actions. Works complete on County Flood projects which were delivered by the Lead Local Flood Authority is the total of 9 actions from the 2015-16 Enhanced Programme.

The majority of these underspends and overspends are minimal due to the scale of the actions and do not reflect any non-delivery of work except for the Temporary Pump Platform at Andersea which had its funding withdrawn following a decision made at SRA Board meeting January 2017.

The net financial impact of the completion of these actions is the request to re-allocate £103,150.62 to contingency and therefore allow these funds to be reinvested by the SRA in the future on key actions. Should the board approve that £103,150.62 be re-allocated to contingency (currently £135,447.82) this would mean a balance of £238,598.44 would be held in contingency.

Table B: Re-allocation of remaining budget for completed/withdrawn actions.

(EP – Enhanced Programme)

Action	Delivery Partner	Underspend	Amount (£)
EA01	EA	Temporary pump platform at Andersea 2016-17 EP	-2,982.00
LHA01	LHA	Countywide enhanced de-silting of structures 2016-17 EP	-20,000.00
LHA04	LHA	Countywide enhanced Drain Jetting 2016-17 EP	-7,445.22
IDB21	IDB	Additional de-silting/dredging 2016-17 EP	-142.31
IDB17	IDB	West Sedge & Aller Moor enhanced maintenance 2016-17 EP	-3,709.63
LLFA01	LLFA	CCTV Surveys of privately owned drains 2016-17 EP	-10,844.81
IDB20	IDB	Tree work 2016-17 EP	-212.38
LHA03	LHA	Countywide enhanced Gully emptying 2016-17 EP	-7,852.12

P002	IDB	Parrett Maintenance Dredge 2015-16 EP	-7,395.88
EMP	LLFA	County Flood Projects* 2015-16 EP	-32,263.40
P007	IDB	Silt Monitoring 2015-16 EP	-98.38
SRA	SRA	SRA Administration & Staffing 2015-16 Allocation	-12,786.07
			-105,732.20

Action	Delivery Partner	Overspend	Amount (£)
EA03	EA	River Isle bank repairs and badger damage 2016-17 EP	180.00
LHA05	LHA	Countywide Enhanced Road Sweeping 2016-17 EP	234.90
CDS	EA	Cripps River full length de-silting 2015-16 EP	654.08
PCON1	IDB	Land & Water Maintenance Dredge Advice 2015-16 EP	1,512.60
			2,581.58
Balance to re-allocate to Contingency			-103,150.62

Recommendation: The SRA Board is asked to:

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Note:

The Quarter 2 2017-18 detailed commercially sensitive update has been circulated to the Board and identifies the underspend referred to in recommendation 2.

Date: 20/09/17

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