

Somerset Rivers Authority Joint Scrutiny Panel Paper

Title: 2019-20 Enhanced Programme

Recommendation: The SRA Joint Scrutiny Panel is asked to review the draft 2019/20 SRA Enhanced Programme of works and provide comment and recommendations in advance of the programme being finalised in March 2019.

In December 2018 the SRA Board recommended:

1. Provisionally approve the proposed 2019-20 Enhanced Programme as listed subject to final approval when funding is confirmed.
2. Approve the proposed level of funding - £1.057m to be set aside from the 2019-20 shadow precept to enable delivery of the agreed Sowby/Kings Sedgemoor Drain (KSD) Enhancement Scheme in 2019/20 and 2020/21.
3. Approve allocation of £65,000 from contingency to meet the Sowby KSD public match funding requirement in the 2015 Heart of the SW Local Enterprise Partnership (HotSWLEP) Funding Agreement

Purpose of the item:

To provide the Joint Scrutiny Panel with the opportunity to review the draft 2019/20 SRA Enhanced Programme of works and provide comment and recommendations in advance of the programme being finalised in March 2019.

2019-20 Enhanced Programme – background and context

This is the second year using the current format for requesting and assessing proposals for inclusion in the Enhanced Programme (EP). During its first year of application certain issues were identified by the SRA Technical Group for improvement. During early 2018/19 the SRA team worked with workstream leads to address these issues and make the process clearer and more robust. There were no changes to the fundamentals of the process e.g. all proposals continue to be scored against the Flood Action Plan objectives and the previously agreed SRA policies. The process continues to allow for manual adjustment for workstream and geographic balance should it be required.

2018-19 Enhanced Programme – latest status

33 proposals were submitted by SRA Delivery Partners which had a total value of £2.007m. All proposals were scored, and a prioritised list created. The SRA Technical Group then reviewed the prioritised list at their meeting on October 24th 2018. Following a rigorous review, it was agreed that 5 proposals should not be taken forward. A brief explanation on why these schemes are not being taken forward at this time is provided in Appendix 2. In addition, the group agreed to reduce the funding originally requested to some proposals by 10% to enable more schemes to be included in the programme.

In total 28 schemes are now being put forward for funding from the 2019/20 Shadow Precept. The total value of these schemes is approximately £1.702m.

There was no specific adjustment made for workstream or geographic balance.

Geographic spread is reasonably balanced when number of schemes in each District is considered but looks imbalanced based upon spend.

The majority of scheme proposals received have been funded and the few that were unsuccessful come from workstreams that are well represented.

The additional funds proposed to be set aside for the Soway / KSD public match funding contribution does give the effect of skewing the balance across workstreams, geographic area and spend as it is such a significant % of the overall funds. It is important to note that this is a one-off allocation required to deliver a key project.

Workstream 5 has received a small allocation but this reflects the fact that there are sufficient funds remaining from previous allocations to fund the planned work in 2019/20.

No additional funds are allocated to maintenance dredging as there are sufficient funds already allocated from previous years to continue this next year.

West Somerset receives a relatively small % of the overall funding but this should be considered against the fact that it has received significant allocations in previous years. All proposals received from West Somerset for 2019/20 have been funded.

Five proposals are for feasibility studies which should result in well-developed schemes being brought forward in future years. These are LLFA17, Cheddar Study; LHA117, A38 Blackbird Bends; FWLM02, Yeovil Urban Suds; LHA121, Wetland Biomass Study; and, LAMDC05, Knapp Hill Catchment. The total value of these schemes is £159k.

The draft proposed Enhanced Programme was reviewed by Management Group at their meeting on November 16th and is now submitted to the Board for approval, subject to funding being confirmed in March 2019.

Appendix 1 summarises the proposed Programme by FAP Work stream and shows the approximate spend by district and countywide. Chart 3 shows the number of schemes proposed for each district. It should be noted that in many occasions physical works in one district will benefit other districts. Confidential Appendix 2 shows the list of all proposals submitted in prioritised order with costs. The cut-off point is below LAMDC05, Knapp Hill Catchment Feasibility Study.

Future funding requirements - background and context

At the February 8th 2017 Board meeting, a paper was presented recommending a funding plan to cover the Soway/KSD Enhancements funding shortfall. With the uncertainty at the time over the deliverability of both the Soway/KSD Enhancement Scheme and further Pioneer Dredging, it

was felt that it would be better to review the situation again, once there was a better cost estimate for the Sowy/KSD and a clearer idea of how much would be required and when.

In January 2018 the Board received an update advising that following further investigation the likely cost to deliver the scheme as originally planned would significantly exceed the available funds. This, allied to the fact that there is a deadline for when (HotSWLEP) funds must be spent, resulted in a decision being taken at the March 2018 Board to task the EA with scoping and delivering a Sowy / KSD scheme which delivered maximum benefit with the funds available by the HotSWLEP March 2021 funding deadline.

At the March 2018 Board meeting it was agreed to set aside further funds towards the Sowy/KSD. As a result, since 2017/18 the Board has agreed the following:

- approved setting aside £200k of contingency and £150k from the 2017-18 shadow precept for the Sowy/KSD scheme
- set aside a further £450k from the shadow precept towards Sowy/KSD in 2018/19
- £143k previously set aside for Sowy / KSD and or Pioneer Dredging has now been allocated towards the Sowy / KSD

To date the SRA has set aside £943k towards the Sowy / KSD scheme.

Total HotSWLEP funds remaining and SRA set aside funds currently available for the Sowy / KSD scheme, as at the end of Q2 18-19, totals approximately **£4.245m**.

Future funding requirements – latest status

The EA has been progressing the revised Sowy / KSD scheme (see Item 9D). Under the current programme the EA is likely to go out to tender in 2019/20 to deliver an initial phase of works with additional works planned for 2020/21.

As part of the legal agreement with the HotSWLEP, match funding commitments were made. Specifically, in relation to the channel widening element of the Sowy / KSD scheme, a commitment of £2.15m was made. £150k of this is to be provided by the EA. Once the £943k of funds already set aside is taken account of this leaves a balance of £1.057m to be funded.

It is proposed that this £1.057m is allocated from the 2019/20 shadow precept towards the Sowy/KSD scheme. The rationale for this proposal is:

1. This is a key project identified within the Flood Action Plan
2. It is unlikely that any other source of match funding will be identified
3. To provide certainty of available funding to the project team to enable efficient planning and tendering
4. Due to the total value of other grant proposals received this year it is possible to fund the majority of these requests whilst also meeting this match funding requirement
5. Should an opportunity arise to bring elements of the project forward the funding is in place to do so

If the recommendation is approved the total budget available for the Sowey / KSD would be approximately **£5.302m**.

Summary

To determine the funds available for the 19-20 budget, assumptions were made regarding next year's shadow precept at £2.920m¹. SRA staff and overheads, Natural England advice, and software license costs² total £226k. The value of the proposed Enhanced Programme for next year is £1.702m, the public match funding requirement for the Sowey/KSD within the HotSWLEP Funding Agreement is £1.057m which totals **£2.985m**.

This results in a shortfall of £0.065m against the estimated 2019/20 Shadow Precept. It is proposed to address this shortfall using SRA contingency funds. The rationale for this is

1. The SRA currently has approximately £122k in contingency which is sufficient to cover this decision.
2. Reporting to date shows that some previously funded schemes will come in under their original cost estimate further adding to the available contingency.
3. Evidence in recent years is that not all schemes can proceed as originally proposed so a small amount of 'over programming' will support more delivery

RECOMMENDATION

The SRA Joint Scrutiny Panel is asked to review the draft 2019/20 SRA Enhanced Programme of works and provide comment and recommendations in advance of the programme being finalised in March 2019.

Date: 7th January 2019

Author: David Mitchell, Senior Manager Somerset Rivers Authority

Appendices

Appendix 1: Summary of the proposed 2019-20 Enhanced Programme.

Appendix 2: Confidential – 2019-20 Enhanced Programme List –with costs

Appendix 2a: 2019-20 Enhanced Programme List – Public version – no costs

Appendix 3: 2019-20 Enhanced Programme MAP

¹ 2018/19 precept value with a 1.4% uplift

² Ongoing commitment associated with previously approved SRA project