

Somerset Rivers Authority Board Paper

Quarter 1 2020-21 SRA Finance Report

RECOMMENDATIONS

The SRA Board is asked to:

1. Note the financial performance as at the end of Quarter One of 2020-21.
2. Approve the re-allocation of contingency as per section two.

Background and context

This report - together with its associated documentation - delivers the financial reporting requirements consistent with the Somerset Rivers Authority (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 [Somerset County Council] 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*

This report provides information on the financial position at the end of Quarter One. It includes a proposal for moving the remaining budget from a number of completed projects to contingency and also allocating further budget to a project which requires additional funds.

Somerset Rivers Authority does not deliver projects, instead the partners that make up the SRA partnership deliver projects on behalf of the SRA and once projects are complete, claim back the cost of the works.

There are two main sources of funding which the SRA draws on:

- a. Local Partner Funding – money raised annually by an additional amount on Council Tax and direct contributions from the Internal Drainage Boards.
- b. Growth Deal Funding – £13.049m of funding allocated in 2014 through the Heart of the South West Local Enterprise Partnership (HotSWLEP) for specific large-scale capital projects.

SRA delivery partners can only claim SRA funding after works are completed and invoices have been paid. This results in a delay between what SRA delivery partners have spent and how

much has been claimed from the SRA. This means that the amount claimed may not reflect the amount of work which has been completed.

1. Local Partner Funding Financial Performance

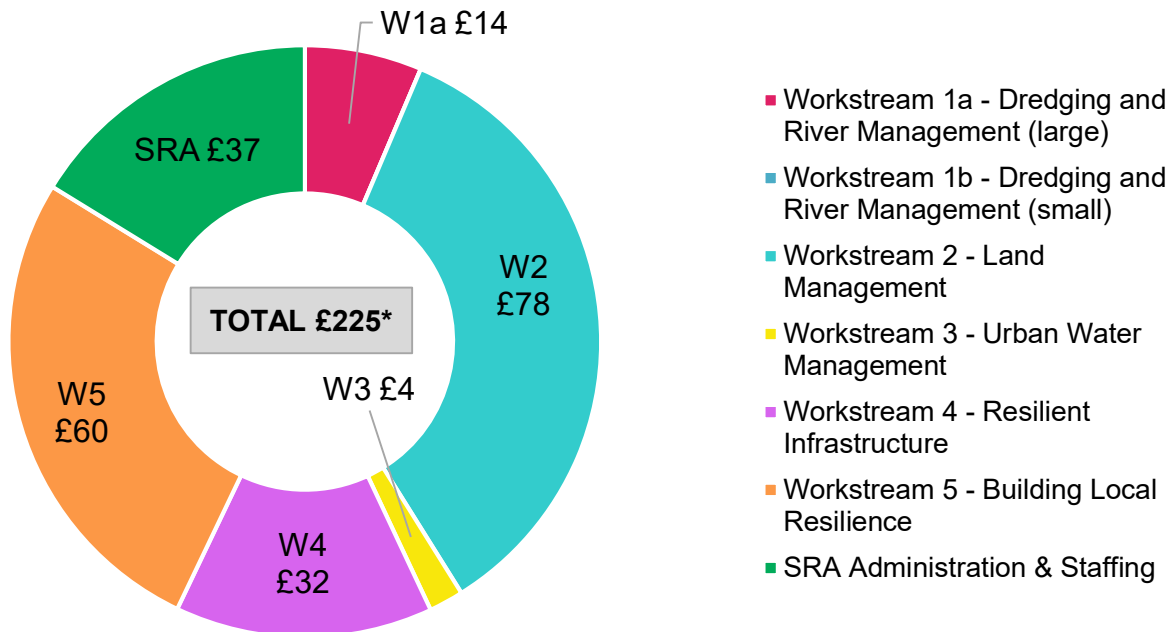
TABLE A: Local Partner Funding Quarter 1 2020-21 Summary						
Workstream	2020/21 Programme £,000	Claimed Q1 2020-21 £,000	Forecast			(Over) / Under-spends £,000
			2020-21 £,000	2021-22 £,000	2022-23 Onwards £,000	
W1a Dredging and River Management (large)	3,624	14	1,505	1,742	363	0
W1b Dredging and River Management (small)	273	0	143	102	0	28
W2 Land Management	572	78	333	161	0	0
W3 Urban Water	720	4	153	435	128	0
W4 Resilient Infrastructure	1,877	32	1,024	813	0	8
W5 Building Local Resilience	554	60	217	219	49	9
Administration & Staffing	345	37	245	62	1	0
Contingency	590	0	0	0	590	0
TOTAL	8,555	225	3,620	3,534	1,131	45

Table A shows the total available funding at the start of the year was £8,555k. Of this amount £5,612k was carried forward from 2019-20 and £2,943k has been raised in the 2020-21 precept. The majority of funds are allocated to specific schemes, with £590k currently being held in contingency.

- 4% of funds are forecast to be spent on the administration and staffing of the SRA
- 7% is held as contingency
- 89% allocated to schemes in the SRA enhanced programme

Paper continues with charts on page 3

Chart A: Claimed During Q1 2020-21 by Workstream (£'000)



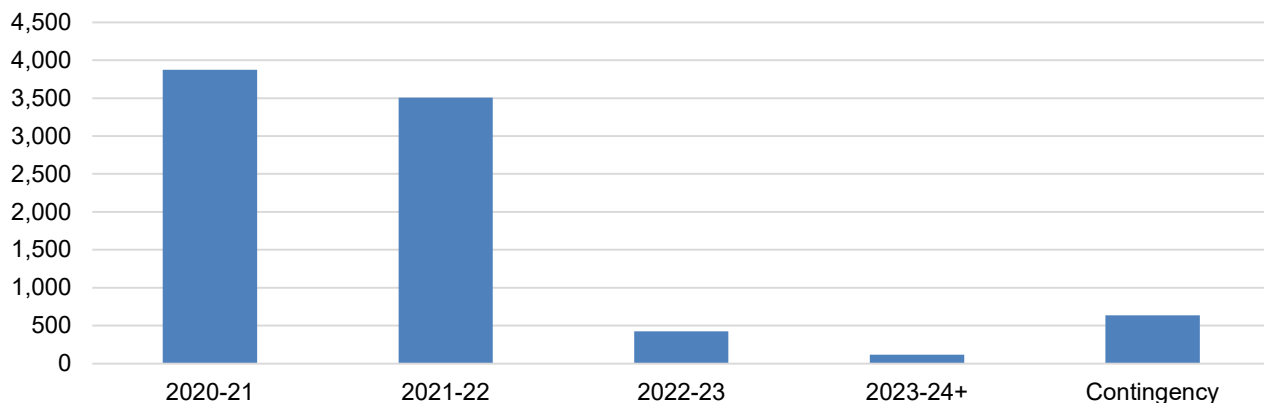
*There have been no claims for workstream 1b during Quarter One

Chart A shows a breakdown of the total amount spent during quarter one of 2020-21. A number of final claims were received for projects completed during 2019-20.

Many of the approved SRA schemes are not completed in the year in which they have been funded. This is due to many factors, including the procurement of contractors, a reliance on fair weather and working within ecological constraints. Therefore, the current schemes are forecast to be claimed over a number of years.

Chart B shows that the majority of works are forecast to be completed either in 2020-21 or 2021-22. There are a number of larger schemes, such as the Taunton Strategic Flood Alleviation Improvements Scheme and the Rode Flood Management Project, which are due to be completed in 2022-23 onwards.

Chart B: Forecast Amount of Spend by Year (£,000)



2. Re-allocation of Local Partner Funding from Budget to / from Contingency

Claims returned by delivery partners during Quarter One have identified the following overspend:

Table B: Re-allocation of funds from contingency			
Scheme	Delivery Partner	Reason	Amount £
Beckington surface and foul water investigation	Mendip District Council	Small overspend on completion of project.	264
Amount to re-allocate from contingency			264

Further to the above, the following underspends were also identified:

Table C: Re-allocation of funds to contingency			
Scheme	Delivery Partner	Reason	Amount £
Flood alert systems - maintenance	Local Highway Authority	New system which is being installed does not require annual software updates.	8,000
Enhanced maintenance of land drainage assets in Sedgemoor	Sedgemoor District Council	Project completed under budget. No further work required.	3,321
Bratton storage pond	Somerset West and Taunton Council	Investigation recommended an alternative solution was required.	25,000
Sowy/KSD improvements - mapping scenarios and engagement ¹	RSPB	Project completed under budget. No further work required.	9,000
Amount to re-allocate to contingency			45,321

If the amounts proposed in Tables B and C are agreed, the contingency would increase by £45k from £590k to £635k. This means that contingency funds would equal 8% of local partner funds, with the rest allocated to specific schemes.

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¹ Funding for this project was originally provided by what was then the Department for Communities and Local Government ITEM 7 SRA Board Q1 2020-21 Finance Report 11 September 2020

3. Growth Deal Funding Financial Performance

TABLE B: Growth Deal Funding Quarter 1 2020-21 Summary						
Project	Funding Agreement Allocation £,000	Claimed as at Q1 20/21 £,000	Forecast Claims 2020-21			Over/ (Under-spends) £,000
			Q2 £,000	Q3 £,000	Q4 £,000	
Sowey/King's Sedgemoor Drain (KSD) Enhancement	7,974	5,900	873	1,198	3	0
Pioneer Dredging	2,460	1,738	66	202	454	0
Land Management	550	538	0	0	12	0
Bridgwater Tidal Barrier	2,000	2,000	0	0	0	0
Taunton Strategic Flood Alleviation Improvements Scheme	65	65	0	0	0	0
TOTAL	13,049	10,241	939	1,400	469	0

At the end of Quarter One, £10,241k of the total £13,049k growth deal funding has been claimed from the SRA by delivery partners. The remaining £2.808m must be claimed from the HotSWLEP by 31 March 2021. There are three key projects that have not yet been completed:

- **Sowey/KSD Enhancements Scheme** - see agenda item 6b for further information.
- **Pioneer Dredging** - see agenda item 6a for further information.
- **Land Management** - the small amount (£12k) remaining has been allocated to capital grant schemes not yet completed. All completion dates are within funding deadline.

RECOMMENDATIONS

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1. Note the financial performance as at the end of Quarter One 2020-21.
2. Approve the re-allocation of contingency as per section two.

Note: The Quarter One 2020-21 detailed commercially sensitive update has been circulated to the Board. This report has been updated with changes approved at the previous SRA Board meeting in July 2020.

Date: 27 August 2020

Author: Rebecca Hall, SRA Finance Manager