

ITEM 7a**Somerset Rivers Authority (SRA) Board Paper**
Quarter 3 2024-25 Finance Report**RECOMMENDATIONS**

The Somerset Rivers Authority (SRA) Board is asked to:

1. Note the financial performance as at the end of Quarter 3 of 2024-25.
2. Approve the re-allocation of funds to contingency as per Part Two.

Background and context

This report – together with its associated document, Appendix One – 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, Somerset 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;*

2.7.1 As the accountable body for the funding, Somerset Council shall ringfence the funding, provide quarterly information on spend to date against budget and interest accrued to the SRA Board.

This report provides information on the financial position at the end of Quarter 3. Part Two includes a recommendation for moving re-allocations to contingency as required.

Somerset Rivers Authority does not deliver projects, instead the organisations and local authorities that make up the SRA partnership deliver projects on behalf of the SRA. Some projects are delivered by organisations outside the partnership.

Funding is raised annually by an additional amount on Council Tax and direct contributions from the Parrett and Axe Brue Internal Drainage Boards (IDBs). Further details can be found at [HC791 Alternative notional amounts.pdf \(publishing.service.gov.uk\)](#)

1. Local Partner Funding Financial Performance

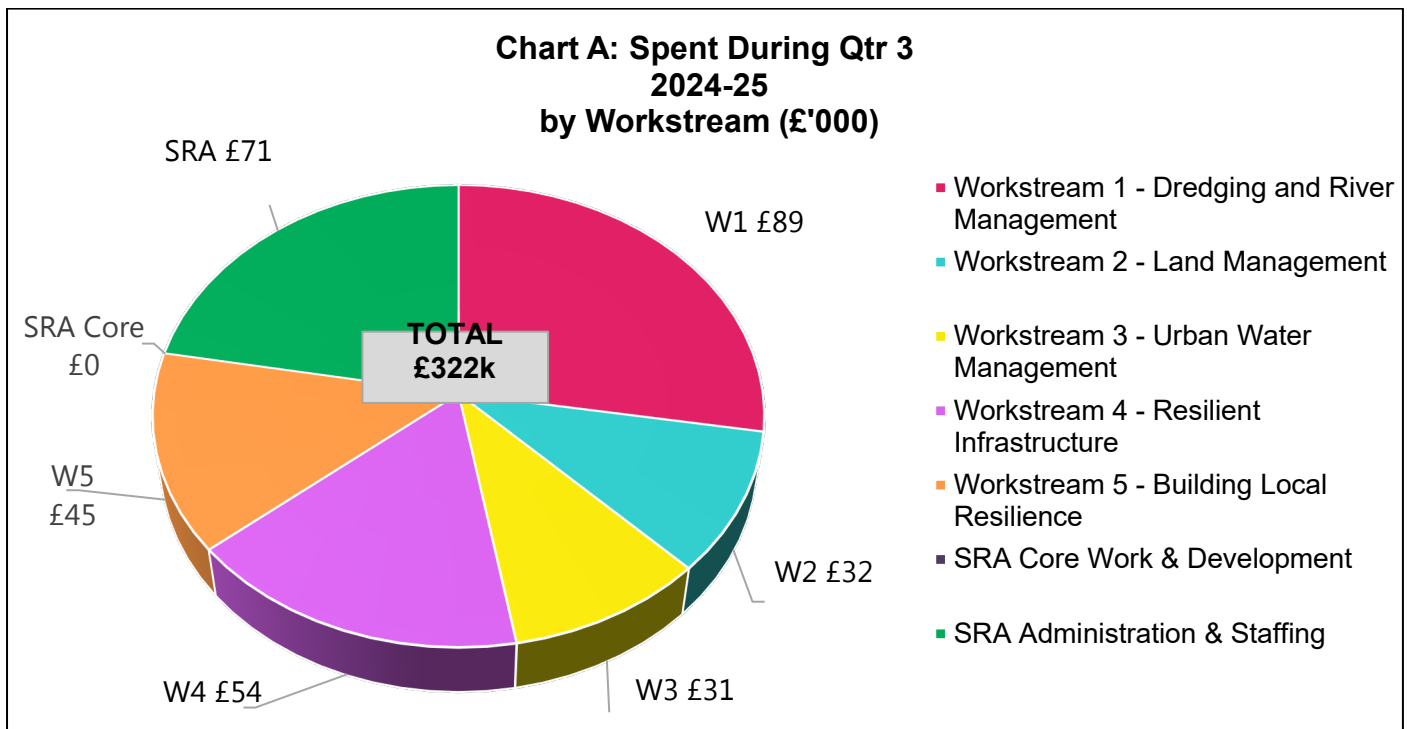
Table A shows that the total available funds at the start of the year were £6,932,000. Of this amount, £3,853,000 was carried forward from 2023-24 and £3,079,000 was raised in the 2024-25 precept. The movement within contingency is due to the recommendations approved at the 24 January 2025 SRA Board meeting.

TABLE A: Local Partner Funding Summary - all schemes- at the end of Quarter 3 2024-25								
Area of spend	2024/25 Funding Allocation £,000	Spent			Forecast	Forecast 2025/26 Onwards £,000	Re-alloc -ations required £,000	Percentage on area of spend %
		2024/25 Q1 £,000	2024/25 Q2 £,000	2024/25 Q3 £,000	2024/25 Q4 £,000			
Enhanced Programme	5,796	886	224	251	1,676	2,651	-89	83%
Core work and development	55	5	0	0	0	50	0	1%
Administration & Staffing	314	63	79	71	70	31	0	5%
Contingency	767	0	0	0	20	767	0	11%
TOTALS	6,932	954	303	322	1,766	3,499	-89	100%

As at the end of Quarter 3:

- 5% of funds are forecast to be spent on the administration and staffing of the SRA.
- 1% will be spent on core work and development.
- 12% is held as contingency.
- 82% allocated to specific projects and activities within the Enhanced Programme.

Chart A (on the next page) shows a breakdown of the total amount spent during Quarter 3 of 2024-25.



Expenditure during Quarter 3 of 2024-25 was £322,000. The following summary provides a brief overview of that expenditure. Appendix One provides the full breakdown of expenditure across all schemes and activities across the financial year. ITEM 7b Enhanced Programme Performance Monitoring Report provides more detail of project progress across the Enhanced Programme during this quarter.

Expenditure for the SRA against W1 (Dredging and River Management) was primarily for the final claims received for the River Parrett Water Injection Dredging delivered in January 2024. The expenditure also includes grant payments for the preliminary work on the King’s Sedgemoor Drain bank-raising and outfall refurbishment work. W2 (Land Management) expenditure was for various natural flood management works across the county, including consultation and advice to farmers and landowners, and further advice given for setting up new tree and hedge planting schemes under the Trees for Water Action Fund initiative.

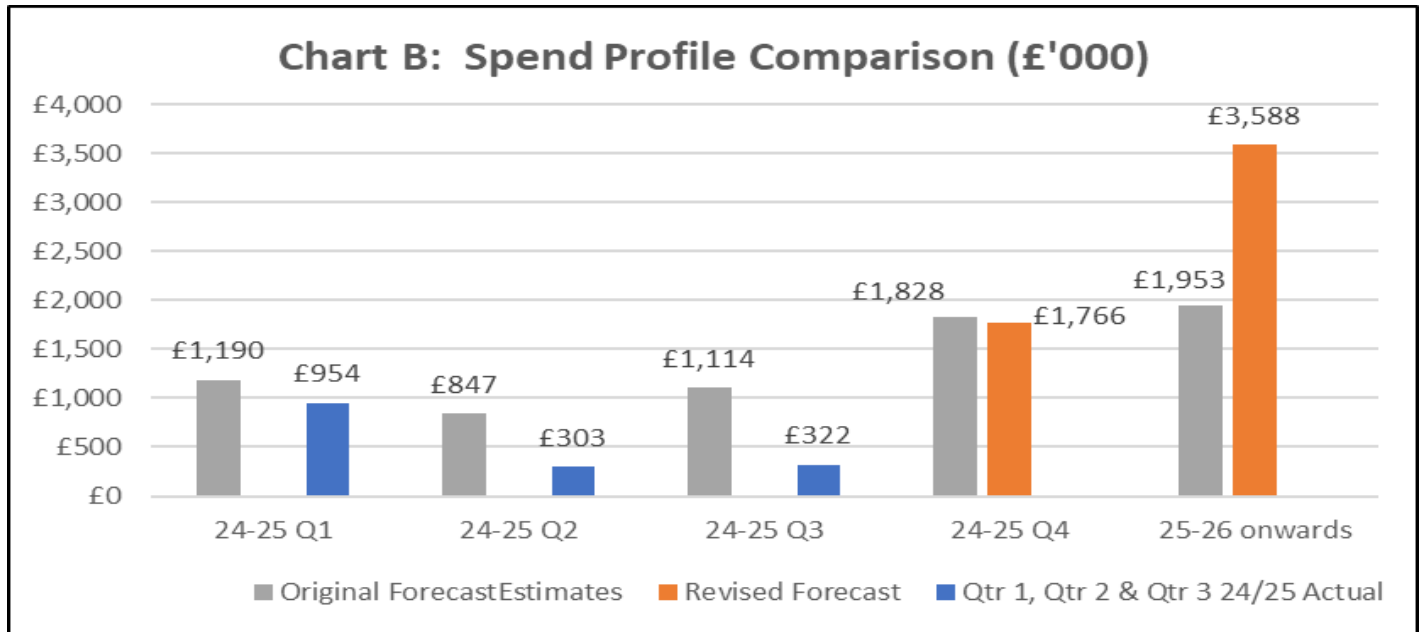
Expenditure in W3 (Urban Water Management) was for inspections and reports on Sustainable Drainage Systems (SuDS) at various locations across the county. Expenditure within W4 (Resilient Infrastructure) was for Enhanced Drain Jetting across several locations.

W5 (Building Local Resilience) expenditure relates to the continuing community resilience support and advice being provided across the county by SRA-funded Community Engagement Officers. FWAG SW Community NFM Advisors are also providing natural flood management advice with communities at a sub-catchment level. There was further expenditure in developing the Moors Associations on the Levels & Moors and the Adapting Somerset programme, ‘Act to Adapt’ for climate adaptation work in the community being delivered by Somerset Wildlife Trust.

Staff costs and overheads make up the remainder of expenditure in Quarter 3.

1a. Spend Profile Summary

Chart B below shows the original quarterly spend forecast (grey) as estimated by delivery partners at the beginning of this financial year. Actual spend (blue) for the financial year to date including Quarter 3. Revised spend forecast (orange) for Quarter 4 and 2025-26 onwards.



At the beginning of the financial year, we ask delivery partners and other grant recipients to profile when they will submit a claim to the SRA. The difference between forecast and actual expenditure so far this financial year is £1.57million.

For Quarter 3, the difference is £792,000. There are several contributing factors to this shortfall, such as project delivery being weather-dependent, third party procurement delays, and resource issues. Some of this funding has been re-allocated to contingency as project development indicated that less grant funding was required. Much of this over allocation was explained in the Quarter 2 2024-25 finance paper.

2. Re-allocation of Local Partner Funding

Table B: Re-allocation of funds to contingency			
Action	Delivery Partner	Reason	Amount £,000
Division Rhyne desilting works, Godney	Parrett Internal Drainage Board	Works completed. Underspend from original grant allocation.	-1.0
River Parrett Maintenance: Enhanced (upper bank) Water Injection Dredging INITIAL TRIAL 2023-24	Parrett Internal Drainage Board	Works Complete. Underspend from original grant allocation.	-11.4
River Parrett Maintenance: Water Injection Dredging and silt monitoring 2023-24	Parrett Internal Drainage Board	Works Complete. Underspend from original grant allocation.	-0.2
Chard Urban Water Runoff Resilience Scheme	Somerset Council, Lead Local Flood Authority	Works Complete. Underspend from original grant allocation.	-28.0
Levels & Moors peat preservation and restoration trials	Farming & Wildlife Advisory Group, South West	Project complete. SRA funding allocated for payments only. Due to lower than anticipated uptake for the scheme the majority of funds were not required. All other outputs from the project completed using DEFRA funding.	-48.5
Amount to re-allocate to contingency			-89.1

If the amounts proposed in Table B are agreed, the contingency would increase by £89.1k from £767k to £855.9k. This means that contingency funds would equal 12% of Local Partner funds (currently 11%), with the remainder allocated to specific schemes.

In recent months, a concerted effort has been made to work with project managers to identify grant funding that could be reallocated to contingency and subsequently used for the 2025-26 Enhanced Programme. The proposed budget for 2025-26, ITEM 8 uses a significant proportion of the contingency now available.

RECOMMENDATIONS

The SRA Board is asked to:

1. Note the financial performance as at the end of Quarter 3 2024-25.
2. Approve the reallocation of funds to contingency as per Part Two.

Note: Detailed background information is provided as 'Item 7a Appendix One to Q3 2024-25 Finance Report'.

Date: 27 February 2025

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