

Somerset Rivers Authority (SRA) Board Paper

Quarter 1 2025-26 Finance Report

RECOMMENDATIONS

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

1. Note the financial performance as at the end of Quarter One of 2025-26.
2. Approve the re-allocation of funds to and from contingency as per Part 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, 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 One. Part Two includes a recommendation for moving re-allocations to / from 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.

Funding is raised annually for the SRA by an additional amount on Council Tax and direct contributions from the Internal Drainage Boards.

1. Local Partner Funding Financial Performance

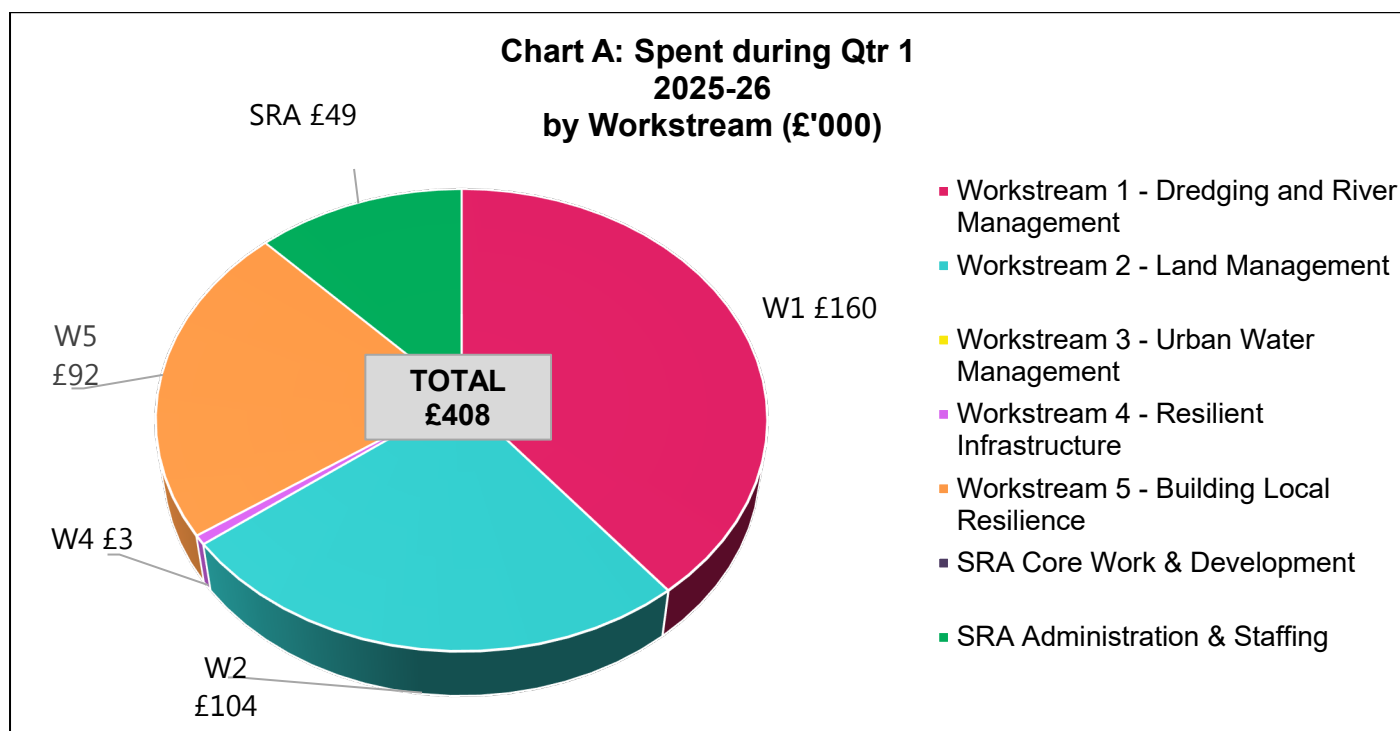
Table A shows that the total available funds at the start of the year were £7.265 million. Of this amount, £4.132 million was carried forward from 2024-25 and £3.133 million was raised in the 2025-26 precept. £6.673 million of these funds was allocated to projects and activities with the rest held as contingency.

TABLE A: Local Partner Funding Summary - all schemes- at the end start of Quarter 1 2025-26								
Area of spend	2025/26 Funding Allocation £,000	Spent	Forecasts			Forecast 2026/27 Onwards £,000	Re- alloc- ations requir ed £,000	Percent age on area of spend %
		2025/26 Q1 £,000	2025/26 Q2 £,000	2025/26 Q3 £,000	2025/26 Q4 £,000			
Enhanced Programme	6,303	359	1,821	1,567	1,759	557	-240	86%
Core work and development	50	0	0	5	5	40	0	1%
Administration & Staffing	320	49	80	80	80	31	0	4%
Contingency	592	0	0	0	0	592	0	8%
TOTALS	7,265	408	1,901	1,652	1,844	1,220	-240	100%

As at the end of Quarter One:

- 4% of funds are forecast to be spent on the administration and staffing of the SRA
- 1% will be spent on SRA core work and development
- 8% is held as contingency
- 86% allocated to specific projects and activities within the Enhanced Programme

Chart A shows a breakdown of the total amount spent during Quarter One of 2025-26.



Expenditure during Quarter One of 2025-26 was £407,989. The following summary provides a brief overview of that expenditure. (Note: ITEM 6a Appendix One provides a full breakdown of expenditure across all schemes and activities during the financial year. ITEM 6b Enhanced Programme Performance Monitoring Report provides more detail of project progress and outputs across the Enhanced Programme during this Quarter).

Expenditure for the SRA in Workstream 1 (Dredging and River Management) was primarily for the final claims received for the River Parrett Water Injection Dredging, including the enhanced works on the upper banks, delivered in January 2025. £70,000 was spent on outfall refurbishment work. Workstream 2 (Land Management including Natural Flood Management - NFM) expenditure was for various Natural Flood Management works across the county, including consultation and advice to farmers and landowners, and completed Hills to Levels capital grant schemes. W2 spend was also for tree and hedge planting schemes, now planted, under the Trees for Water Action Fund initiative.

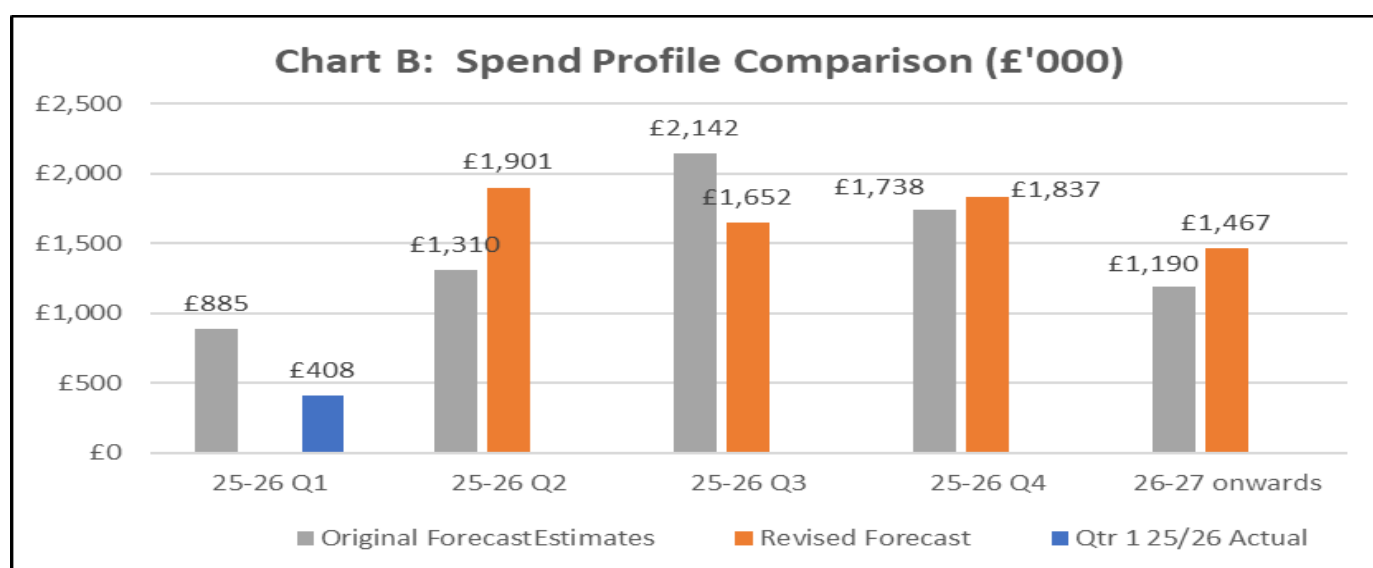
Expenditure within W4 (Resilient Infrastructure) was for some preliminary design work for the culvert replacement in Burtle.

W5 (Building Local Resilience) expenditure relates to the continuing community resilience support and advice being provided across the county by SRA Community Engagement Officers and SRA-funded FWAG SW Community Natural Flood Management (NFM) Advisors. FWAG SW advisors are working with communities to deliver NFM projects at a sub-catchment level. There was further expenditure on developing the Moors Associations on the Somerset Levels and Moors and the climate adaptation work 'Act to Adapt' being delivered by Somerset Wildlife Trust.

SRA partnership team staff costs and overheads make up the remainder of expenditure.

1a. Spend Profile Summary

Chart B below shows the Quarter One spend of £408k (blue) and the estimated profile (grey) of spend forecast for this financial year and 2026-27 onwards.



The £477,000 shortfall in expenditure from the original forecast is wholly due to a delay in claims and not lack of delivery. This spend has been added to the forecast estimate for Quarter Two 2025-26.

2. Re-allocation of Local Partner Funding

Table B: Re-allocation of funds to contingency			
Project	Delivery Partner	Reason	Amount £,000
Penarth Road, Bridgwater: Sewer improvements and school Sustainable Urban Drainage Systems (SuDS)	Somerset Council, Lead Local Flood Authority / Wessex Water	Third Party funding has been successfully awarded. SRA grant funding no longer required.	-200.0

River Parrett Maintenance: Water Injection Dredging (WID) and silt monitoring	Parrett Internal Drainage Board	Underspend from original grant allocation. Works completed.	-42.3
River Parrett Maintenance: Enhanced WID (upper bank)	Parrett Internal Drainage Board	Underspend from original grant allocation. Works completed.	-2.1
King's Sedgemoor Drain bank raising - preliminary work	Parrett Internal Drainage Board	Underspend from original grant allocation. Works completed.	-0.3
Outfalls refurbishment - preliminary work	Parrett Internal Drainage Board	Underspend from original grant allocation. Works completed.	-0.2
Sub Total			-244.9

Table C: Re-allocation of funds from contingency			
Project	Delivery Partner	Reason	Amount £,000
Watercourse improvements, The Drive, Burnham on Sea	Axe Brue Internal Drainage Board	Overspend from original grant allocation of £10,000. Works completed	1.6
River Sheppey Catchment Action Plans for Croscombe and Shepton Mallet	Somerset Council, Lead Local Flood Authority (was Mendip District Council)	Underspend was moved to contingency in Quarter Four 2024-25 finance paper. Outstanding cost for a survey carried out in Croscombe.	2.9
Sub Total			4.5

If the amounts proposed in Table B and C are agreed, the contingency would increase by £240,300 from £592,000 to £832,000. This means that contingency funds would equal 11% of Local Partner funds (currently 8%), with the remainder allocated to specific schemes.

RECOMMENDATIONS

The SRA Board is asked to:

3. Note the financial performance as at the end of Quarter One of 2025-26.
4. Approve the re-allocation of funds from and to contingency as per Part Two.

Note:

This report has been updated with changes approved at the previous SRA Board meeting in June 2025.

Date: 12 August 2025

Author: Sam Hitchcott, Senior Finance Business Partner