ITEM 8a

Somerset Rivers Authority Board Paper

Quarter Two 2025-26 Finance Report

RECOMMENDATIONS

The SRA Board is asked to:

1. Note the financial performance as at the end of quarter two of 2025-26.
2. Approve the reallocation of funds to 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, SC 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 Two. 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. The SRA also funds external organisations to deliver projects using SRA grant funding.

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 £7.265m. Of this amount, £4.132m was carried forward from 2024-25 and £3.133m was raised in the 2025-26 precept. The movement within contingency is due to approvals at the SRA Board meeting in September.

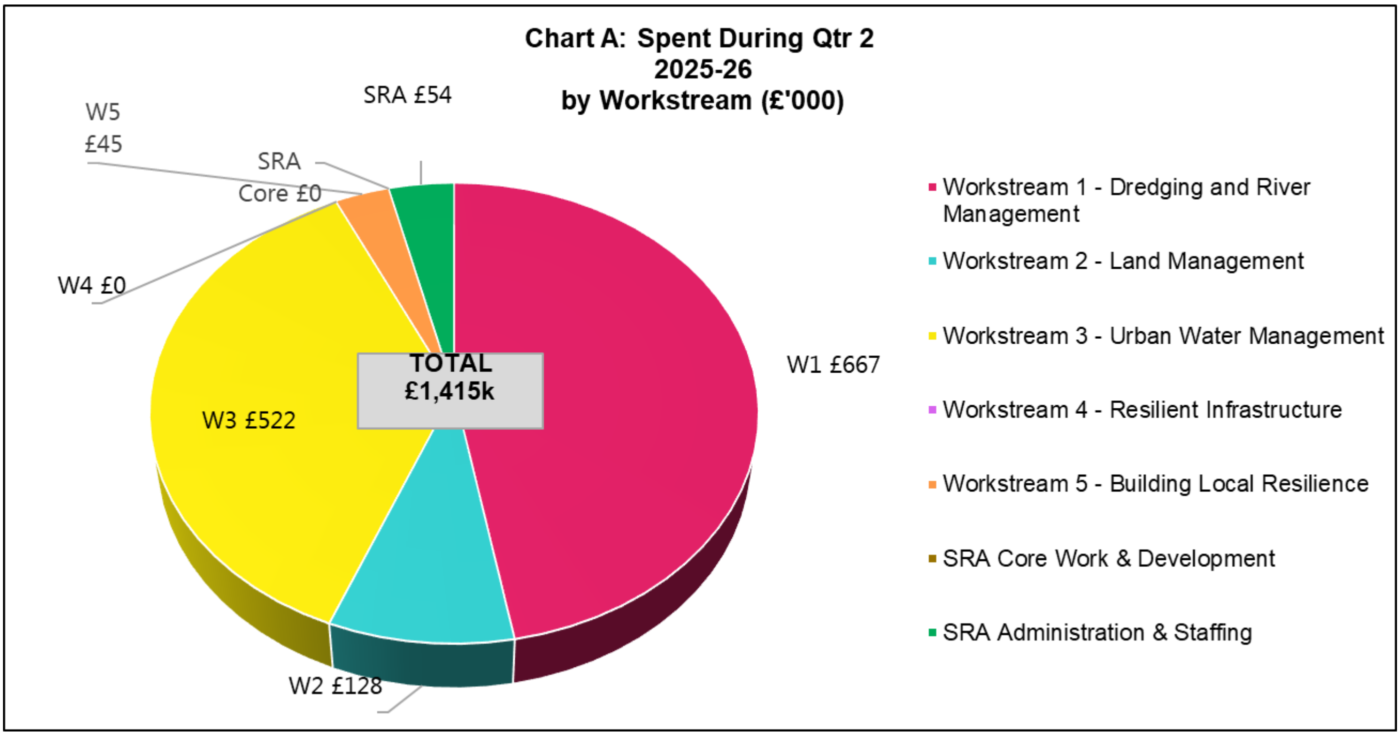
TABLE A: Local Partner Funding Summary – all schemes- at the end of Quarter 2 2025-26

Area of spend	2025-26 Funding Allocation £,000	Spent Q1 £,000	Spent Q2 £,000	Forecasts Q3 £,000	Forecasts Q4 £,000	Forecast 2026-27 Onwards £,000	Re-alloc -ations required £,000	Percentage on area of spend %
Enhanced Programme	6,268	370	1,361	1,704	1,922	671	-239	86%
Core work and development	50	0	0	0	5	20	-25	1%
Administration & Staffing	320	49	54	75	75	47	-20	4%
Contingency	627	0	0	0	0	628	0	9%
TOTALS	**7,265**	**419**	**1,415**	**1,779**	**2,002**	**1,366**	**-284**	100%

As at the end of Quarter Two:

- 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.
- 9% 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 the second quarter of 2025-26.



Expenditure during Quarter Two of 2025-26 was £1,414,988. The following summary provides a brief overview of that expenditure. Appendix One provides the full breakdown of expenditure across all schemes and activities during the financial year.

Workstream 1 (Dredging and River Management) expenditure was primarily on the King's Sedgemoor Drain bank raising works completed in October. Other spend was for Back Ditch and Chedzoy outfall refurbishment works; completed Community Flood Action Fund watercourse maintenance schemes; and the SRA contribution towards the Bridgwater Tidal Barrier.

Workstream 2 (Land Management including Natural Flood Management - NFM) expenditure was for various NFM works across the county, including consultation and advice to farmers and landowners, and completed Hills to Levels capital grant schemes. Spend was also incurred for tree and hedge planting schemes under the Trees for Water Action Fund initiative.

Workstream 3 (Urban Water Management) expenditure relates to the multi-agency work on local flood risk management measures across Somerset and a substantial contribution to the Chard Reservoir improvements which completed in late spring. The remaining expenditure was for CCTV surveys in Milverton, Nether Stowey and Combwich.

W5 (Building Local Resilience) expenditure relates to the ongoing community resilience support and advice being provided across the county by SRA Community Outreach Team and FWAG SW

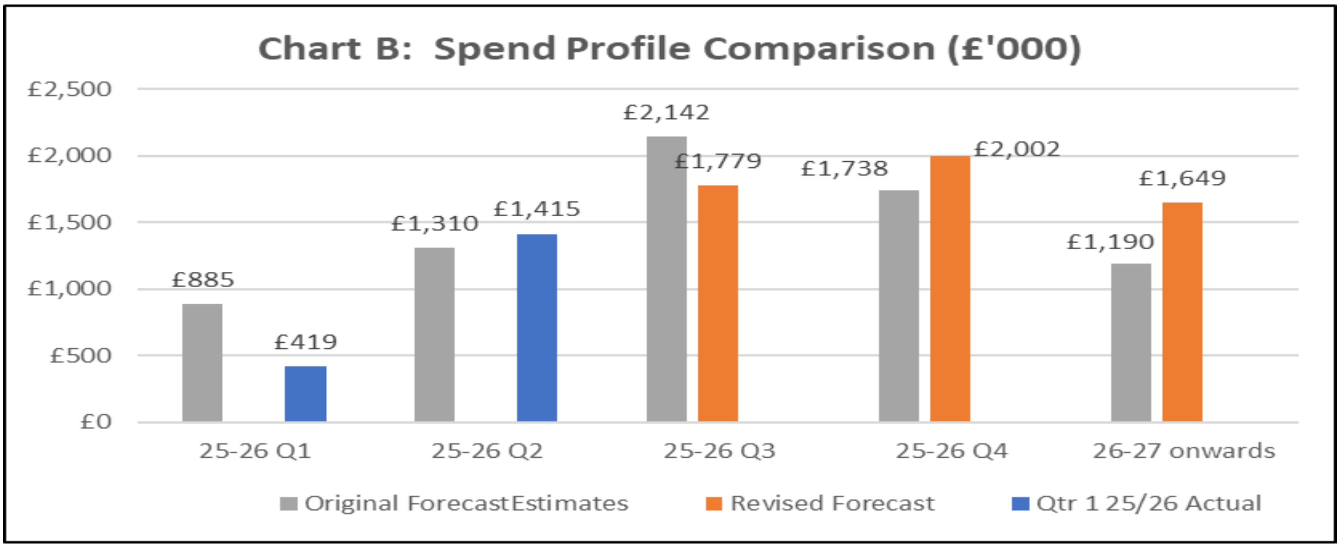
Community NFM Advisors. There was further expenditure on Adapting Somerset climate adaptation work (Act to Adapt) being delivered by Somerset Wildlife Trust.

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

ITEM 7b Enhanced Programme Performance Monitoring Report provides more detail of project progress across the Enhanced Programme during this quarter.

a. Spend Profile Summary

Chart B shows the forecast spend (green) as reported at the start of the financial year. Actual spend for quarters 1 and 2 is shown in blue. Revised spend forecasts are shown in red.



2. Re-allocation of Local Partner Funding

Table B: Reallocation of funds to contingency			
Project	**Delivery Partner**	**Reason**	**Amount £,000**
King's Sedgemoor Drain Bank Raising (Phase One completion)	Parrett Internal Drainage Board	Current forecast underspend	-150.0
Building Local Resilience	Somerset Council, Emergency Planning Recovery and Response	Current forecast underspend	-40.0
Staff costs and overheads 2025-26	SRA Team	Current forecast underspend	-20.0

Chard Urban Water Runoff Resilience Scheme	Somerset Council, Lead Local Flood Authority	Underspend on completed project	-15.8
SUDS inspections, mapping and monitoring	Somerset Council, Lead Local Flood Authority	Following Somerset Council restructuring there is currently no resource to deliver this work	-32.9
Sub-catchment analysis and development of integrated schemes (Plan for action)	SRA Team	Original allocation not being utilised so 50% returned to contingency. Remainder to be committed this financial year.	-25.0
Amount to re-allocate to contingency			**-283.6**

If the amounts proposed in Table B are agreed, the contingency will increase by £283.6k from £627k to £831k. This means that contingency funds would equal 11% of Local Partner funds (currently 9%), with the remainder allocated to specific schemes.

RECOMMENDATIONS

The SRA Board is asked to:

1. Note the financial performance as at the end of Quarter Two 2025-26.
2. 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 September 2025.

Date: 26 November 2025
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