

ITEM 9a

Somerset Rivers Authority Board Paper

Quarter 4 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 4 2025-26.
2. Approve the re-allocation of funds to and from contingency as per Part Two.

Background and context

Somerset Council is the Host Authority and Accountable Body for the SRA, which is an unincorporated association. This report - together with its associated appendices - delivers the financial reporting requirements consistent with the Somerset Rivers Authority (SRA) Constitution and Local Memorandum of Understanding which states:

As Host Authority the Council shall:

- Provide the services of its Chief Financial Officer and Monitoring Officer as required:
- Make available for use by the Accountable Body, accounting, financial analysis, accounts payable and receivable in relation to Annual SRA Allocations:
- Make available designated employees to manage and support the SRA including the Council's internal SRA team:
- Carry out such other functions as may be agreed between the SRA and the Host Authority.
- The responsibilities of the Accountable Body include:
 - The preparation and reporting of the accounts of the SRA in accordance with the Constitution of Somerset Council. In support of this requirement; and the release of the received Annual SRA Allocation to its Members in accordance with the annual Enhanced Programme.
 - Provide quarterly information on spend to date against budget and will maintain reliable, accessible and up-to-date accounting records with an adequate audit trail for at least six years:
 - Maintain a Register of Interests for each SRA Board Member:

This report provides information on the financial position at the end of Quarter 4. Part Two includes a recommendation for moving re-allocations to and from contingency as required.

Somerset Rivers Authority does not deliver projects directly. Instead, the organisations and local authorities that make up the SRA partnership deliver projects on behalf of the SRA. The SRA also funds some external organisations to deliver projects using SRA grant funding.

Funding is raised annually by an additional notional 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 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/HC791_Alternative_notional_amounts.pdf)

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 March 2026.

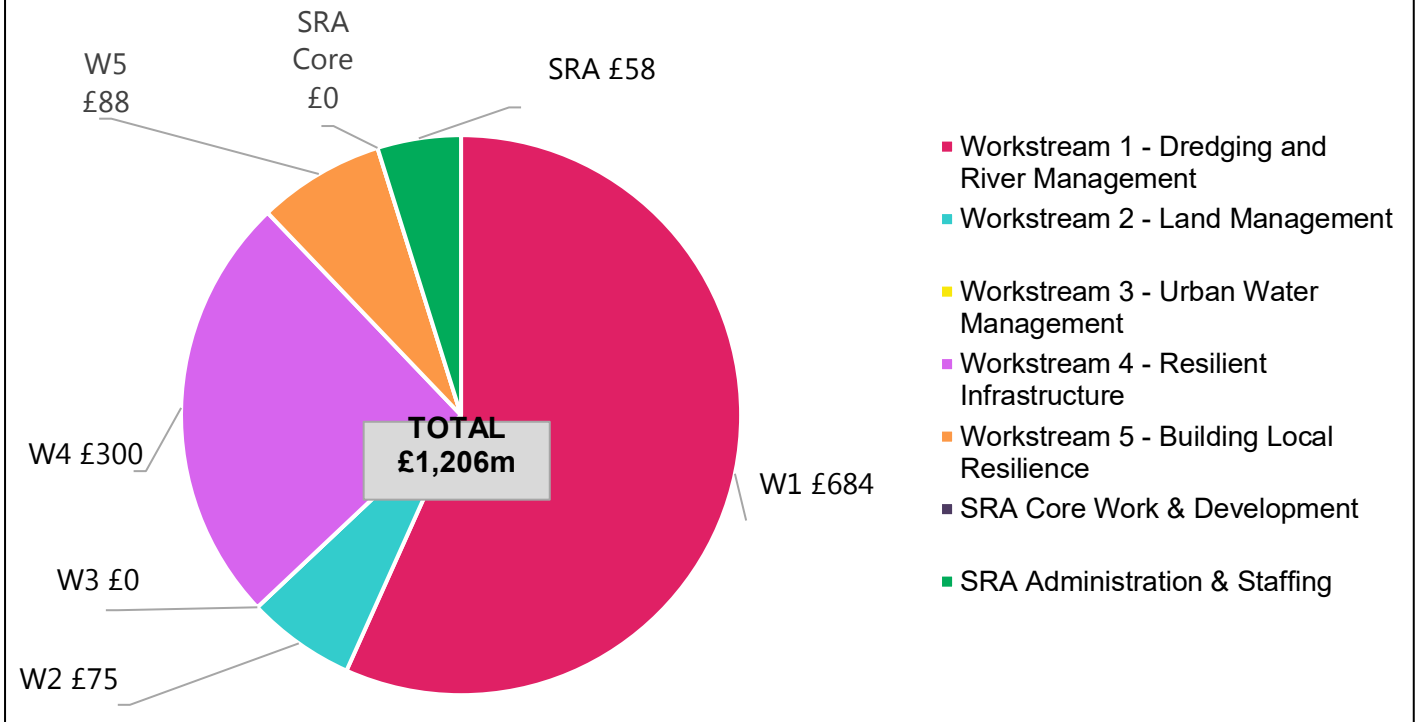
TABLE A: Local Partner Funding Summary - all schemes- at the end of Quarter 4 2025-26								
Area of spend	2025-26 Funding Allocation £,000	Spent	Spent	Spent	Spent	Forecast 2026-27 Onwards £,000	Re-alloc -ations required £,000	Percentage on area of spend %
		2025- 26 Q1 £,000	2025-26 Q2 £,000	2025-26 Q3 £,000	2025-26 Q4 £,000			
Enhanced Programme	6,025	359	1,376	1,339	1,148	1,693	-111	82.9%
Core work and development	25	0	0	0	0	25	0	0.4%
Administration & Staffing	300	49	54	54	58	27	-58	4.1%
Contingency	915	0	0	0	0	915	0	12.6%
TOTALS	7,265	408	1,430	1,393	1,206	2,660	-169	100%

As at the end of Quarter 4:

- 4.95% of funds were spent on the administration and staffing of the SRA.
- 0.4% was spent on SRA core work and development.
- 95.1% was spent on specific projects and activities within the Enhanced Programme.

Chart A shows a breakdown of the total amount spent during the fourth quarter of 2025-26.

Chart A: Spent During Qtr 4 2025-26 by Workstream (£'000)



Expenditure during Quarter 4 of 2025–26 totalled £1.206m. The summary below provides an overview of this expenditure. Appendix One contains the full breakdown across all schemes and activities for the financial year.

Expenditure 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 2026. £85,000 was spent on outfall refurbishment work. There was also some expenditure on the appraisal of Swallows siphon, just north of Butt Moor Bridge on River Brue. Survey work was also undertaken on the culverts on Brocks Pill Rhyne, East Brent.

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 primarily for the additional gully cleansing across the county.

W5 (Building Local Resilience) expenditure relates to the continuing community resilience support and advice being provided across the county by our Community Engagement Officers and the Community Natural Flood Management (NFM) Advisor. This advisor – at the Farming & Wildlife Advisory Group Southwest (FWAG SW) – is 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.

The remainder of expenditure relates to partnership team staff costs and overheads.

1a. Spend Profile Summary

Chart B below shows spend in Quarter 1 (£408k), Quarter 2 (£1.430m), Quarter 3 (£1.393m), Quarter 4 (£1.206m), and forecast spend for 2026-27 onwards. Total spend for the 2025-26 financial year was £4.437m.

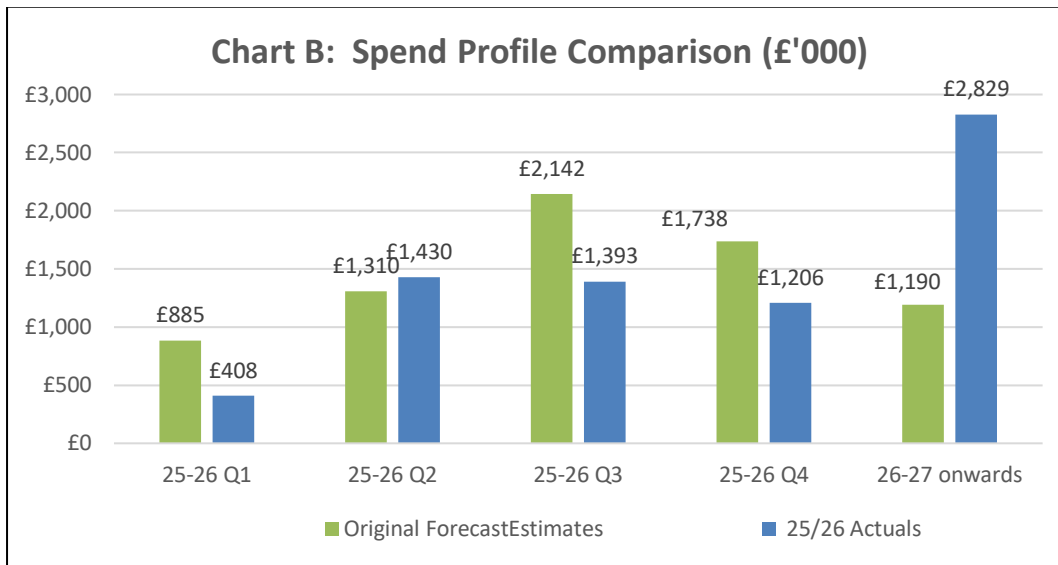


Chart B shows an underspend of £1.6m against the budget profile set at the start of the financial year. Several factors contribute to this position:

- £600k - is a result of over-ambitious forecasting of project expenditure at the beginning of the financial year. There can be multiple reasons for a project taking longer than expected to deliver such as limited resource, time allowed for consents and permissions to be in place, complexity of delivery and prioritisation of workload.
- £210k - being retained to cover defect correction, maintenance periods, and final inspections following project completion.
- £260k - A proportion of claims were submitted after the Quarter 4 2025–26 reporting deadline.
- £530k - is a result of underspend on completed projects or over-allocations throughout the year.

1b. Local Partner Funding Interest Statement.

During the 2025-26 financial year, £170k of interest was accrued on Somerset Rivers Authority funds. Somerset Council currently retains these funds to cover the costs of acting as Host Authority for the SRA. Discussions are underway with Somerset Council's Finance Team to review the hosting costs.

2. Re-allocation of Local Partner Funding

Table B: Re-allocation of funds to contingency			
Project	Delivery Partner	Reason	Amount £,000
Hills to Levels: Land Management, natural flood management consultancy and advice	Farming & Wildlife Advisory Group SouthWest	Accumulation of small underspends across multiple years. Work continues with 2026-27 grant.	-50
River Parrett Maintenance: Water Injection Dredging, silt monitoring and shoulder work	Parrett Internal Drainage Board	Works Complete. Project contingency allowance was not required.	-60
Main river enhanced maintenance	Environment Agency	Most of the original scoping of works was completed. Small underspend of original grant.	-19
Building Local Resilience – Community Engagement Team	Somerset Council: Emergency Planning Response and Recovery	Underspend of original grant. Community Engagement Team costs included in core staffing costs for 2026-27.	-3
Staff costs and overheads	Core Team	Majority relates to Technical Advisor budget no longer required. Some over allocation in original budget.	-58
Total amount to re-allocate to contingency			-190

Table C: Re-allocation of funds from contingency			
Project	Delivery Partner	Reason	Amount
Enhanced Maintenance Planned Gully Cleansing during 25-26	Somerset Council: Highways	Works complete. Overspend on original grant allocation of £300,000	21
Total amount to re-allocate from contingency			21

If the amounts proposed in Tables B and C are agreed, the contingency would increase by £169k from £915k to £1.084m. This means that contingency funds would equal 15% of Local Partner funds (currently 13%), with the remainder allocated to specific schemes.

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Note:

This report has been updated with changes approved at the previous SRA Board meeting in March 2026.

Date: 27 May 2026

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