ITEM 8a

Somerset Rivers Authority Board Paper

Quarter 2 2026-27 Finance Report

RECOMMENDATIONS

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

1. Note the financial performance as at the end of Quarter Two 2026-27.

2. Approve the re-allocation of funds to 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 Appendix - delivers the financial reporting requirements consistent with the Somerset Rivers Authority (SRA) Constitution and Local Memorandum of Understanding, which states that 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 2. Part Two includes a recommendation for moving re-allocations to 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 Alternative 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)

1. Local Partner Funding Financial Performance

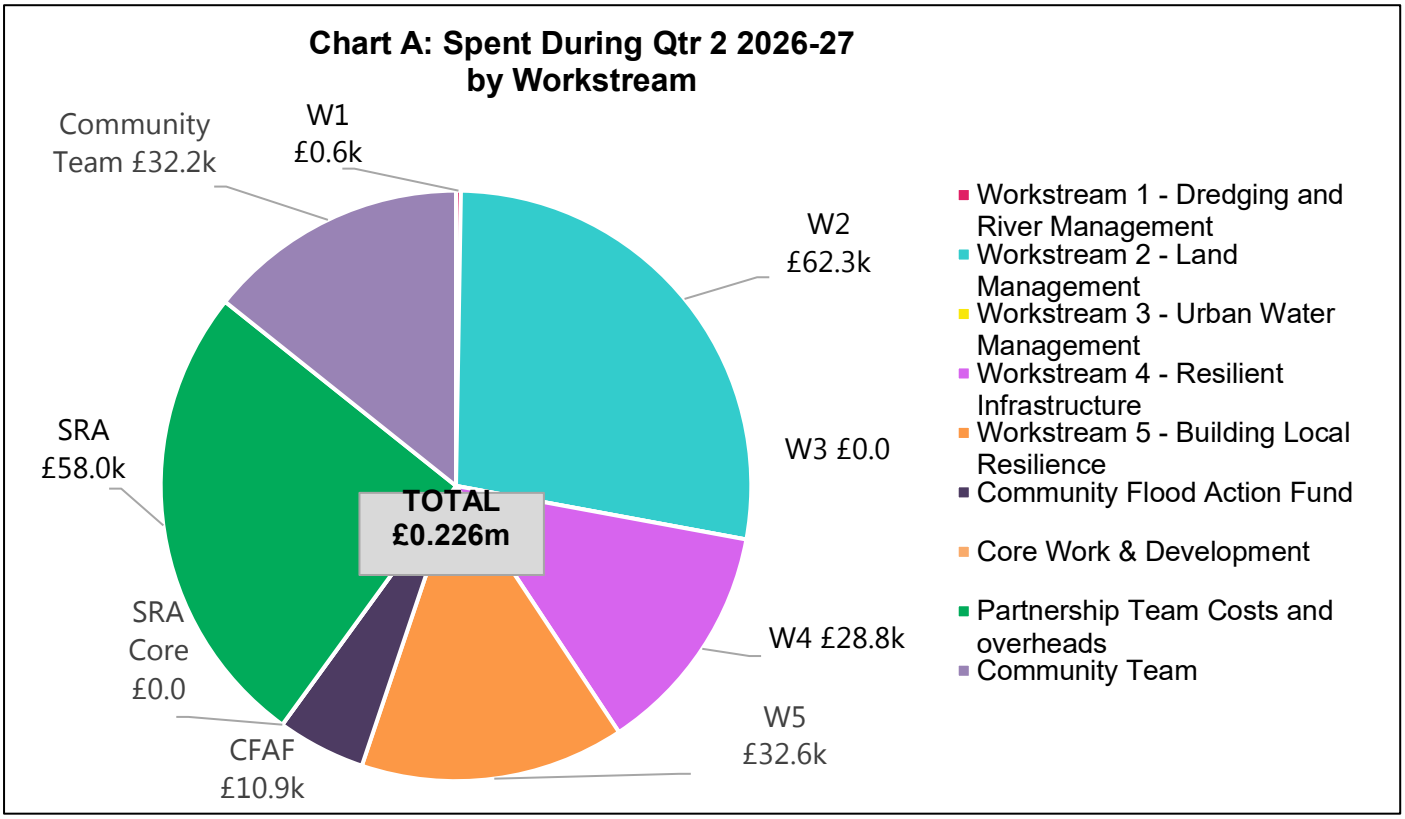
Table A shows that the total available funds at the start of the year were £6.042m. Of this amount, £2.831m was carried forward from 2025-26 and £3.210m was raised in the 2026-27 precept. £4.631m of these funds was allocated to projects and activities with the rest held for staffing, overheads and contingency. The movement within contingency is due to approvals at the Board meeting in September 2026.

TABLE A: Local Partner Funding Summary - all schemes- at the end of Quarter 2 2026-27

Area of spend	2026-27 Funding Allocation	Spent 2026-27 Q1	Spent 2026-27 Q2	Forecast 2026-27 Q3	Forecast 2026-27 Q4	Forecast 2027-28 Onwards	Proposed Grant movements	% on area of spend
	£,000	£,000	£,000	£,000	£,000	£,000		
Enhanced Programme	4180	493	124	844	1634	978	-105	69.2%
Community Flood Action Fund	446	18	11	54	80	283	0	7.4%
Core work and development	25	0	0	0	0	0	-25	0.4%
Partnership Team Costs and overheads	348	54	58	78	78	80	0	5.8%
Community Team	141	29	32	30	30	20	0	2.3%
Contingency	902	0	0	0	0	902	0	14.9%
TOTALS	**6042**	**594**	**226**	**1007**	**1822**	**2263**	**-130**	100%

*The figure in this column does not include the proposed grant movements, which are presented for the Board's approval in Part 2.

Chart A shows a breakdown of the total amount spent during Quarter 2 of 2026-27.



Expenditure during Quarter 2 of 2026-27 totalled £0.226m. A summary of this expenditure is provided below. Appendix One contains the full breakdown across all schemes and activities for the financial year.

Workstream 1: River Management including dredging
Small expenditure related to Brue Modelling work completed earlier in the year.

Workstream 2: Land Management (including Natural Flood Management)
Expenditure within Workstream 2 supported a range of Natural Flood Management activities across Somerset, including advice and consultation services for farmers and landowners, together with payments for completed Hills to Levels capital grant projects. Funding was also used to provide grants to landowners for tree and hedge planting schemes delivered through the Trees for Water Action Fund. New schemes are being developed for the 2026-27 planting season.

Workstream 4: Resilient Infrastructure
Expenditure within Workstream 4 relates to enhanced drain jetting across the county.

Workstream 5: Building Local Resilience
Expenditure within Workstream 5 supported the continued provision of technical advice and support by the Community Natural Flood Management (NFM) Adviser at the Farming & Wildlife Advisory Group South West. The adviser is working with communities across Somerset to develop and deliver NFM projects at a sub-catchment scale. Final claim received for the development of the Moors Associations across the Somerset Levels and Moors. This work continues through other funding sources. Somerset Wildlife Trust continuing to develop and deliver Climate Adaptation

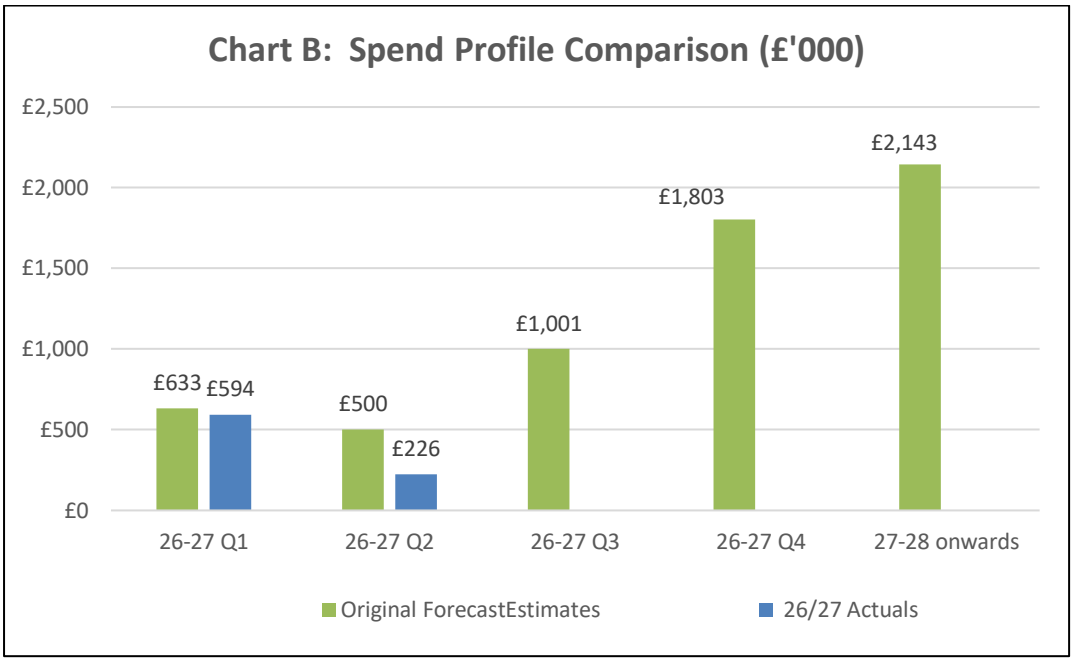
Plans with key communities. Community Team project expenditure covers local engagement costs, such as village hall hire and resources required to support community engagement activities.

Community Flood Action Fund grants were awarded to Ilminster Town Council and Stoke St Mary Parish Council to support flood maintenance works.

The remaining expenditure relates to partnership and community team staffing costs and associated overheads.

1a. Spend Profile Summary

Chart B below shows the quarter one spend £0.226m against forecast at the beginning of the year.



The shortfall against the original Quarter 2 2026–27 expenditure forecast is due to delays in processing claims, as the host authority's new financial measures have taken longer than anticipated to approve.

1b. Local Partner Funding Interest Statement.

During Quarter 2 of the 2026-27 financial year, £29k of interest was accrued on Somerset Rivers Authority funds. The balance used to calculate this interest was £3.1m. 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: Reallocation of funds to contingency			
Project	**Delivery Partner**	**Reason**	**Amount £,000**
Cobbs Leaze Clyce (assessments on 2 structures downstream)	Parrett Internal Drainage Board	The project has been on hold for the past two years and is now proposed for deferral to the 2028–29 Enhanced Programme.	-50.0
Rode Flood Management Project: (remaining drainage works at Crooked Lane and Straight Lane, Rode)	Somerset Council: Lead Local Flood Authority	Project being re-scoped for new Grant Application	-55.3
Sub-catchment analysis and development of integrated schemes (Plan for action)	Somerset Rivers Authority	No requirement for external resource. Plan for action will be developed within the partnership	-25.00
Amount to re-allocate to contingency			**-130.3**

If the amounts proposed in Table B are agreed, the contingency would increase by £130.3k from £902k to £1.032m. This means that contingency funds would equal 17.1% of Local Partner funds (currently 14.9%), with the remainder allocated to specific schemes.

RECOMMENDATIONS

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

Date: 25 November 2026
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