

## Somerset Rivers Authority 2018-19 Finance Report

### Background and context

This report provides information on the financial position at the end of the 2018-19 financial year. The paper provides an overview of the funding available at the start of the year and a summary of how much was spent on each workstream. It then sets out the total amount of funding allocated to projects for 2019-20 onwards. It is important to note that the vast majority of the funding is allocated to projects which are currently in the process of being delivered. Only £220,000 is unallocated, and this forms the SRA contingency fund.

Somerset Rivers Authority does not deliver works, instead the partners that make up the SRA partnership deliver works on behalf of the SRA and once works are complete, claim back the cost of the works. There are two main sources of funding which the SRA draws on:

- Local Partner Funding – money raised annually by an additional amount on Council Tax and direct contributions from the Internal Drainage Boards.
- Growth Deal Funding – £13.049m of funding allocated in 2014 through the Heart of the South West Local Enterprise Partnership (HotSWLEP) for specific large-scale capital projects.

### 1. Financial Performance – spend as at 31 March 2018 and funds allocated to schemes 2018-19.

**Table A** summarises the financial position as at the end of 2017-18. It also shows the total amount of funds carried forward and available in 2018-19.

| <b>Table A: SRA Spend as at 31 March 2018 and Funds Available for Use in 2018-19</b> |                                    |  |                            |
|--|------------------------------------|--|----------------------------|
|  | <b>Funds Received<br/>(or due)</b> | <b>Total Paid to<br/>Delivery Partners<br/>pre 2018-19</b> | <b>Remaining<br/>Funds</b> |
|  | <b>£,000</b>                       | <b>£,000</b>   | <b>£,000</b>               |
| <b>SRA Funding</b>   |                                    |  |                            |
| CLG Funding  | 341                                |  |                            |
| 2015-16 Local Partners (Interim) Funding   | 2,700                              |  |                            |
| 2016-17 Local Partners Funding   | 2,778                              |  |                            |
| 2017-18 Local Partners Funding   | 2,843                              |  |                            |
| <b>SRA Local Partner Total</b>   | <b>8,662</b>                       | <b>5,254</b>   | <b>3,408</b>               |
| <b>Growth Deal Funding</b>   | <b>13,049</b>                      | <b>6,507</b>   | <b>6,542</b>               |
| <b>Total Available</b>   | <b>21,711</b>                      | <b>11,760</b>  | <b>9,950</b>               |
| <b>2018-19 Local Partners Funding</b>  |                                    |  |                            |
|  |                                    |  | <b>2,880</b>               |
| <b>Total available funds in 2018-19</b>  |                                    |  | <b>12,830</b>              |
| <b>Total Local Partners Funding</b>  |                                    |  | <b>6,288</b>               |
| <b>Total Growth Deal Funding</b>   |                                    |  | <b>6,542</b>               |

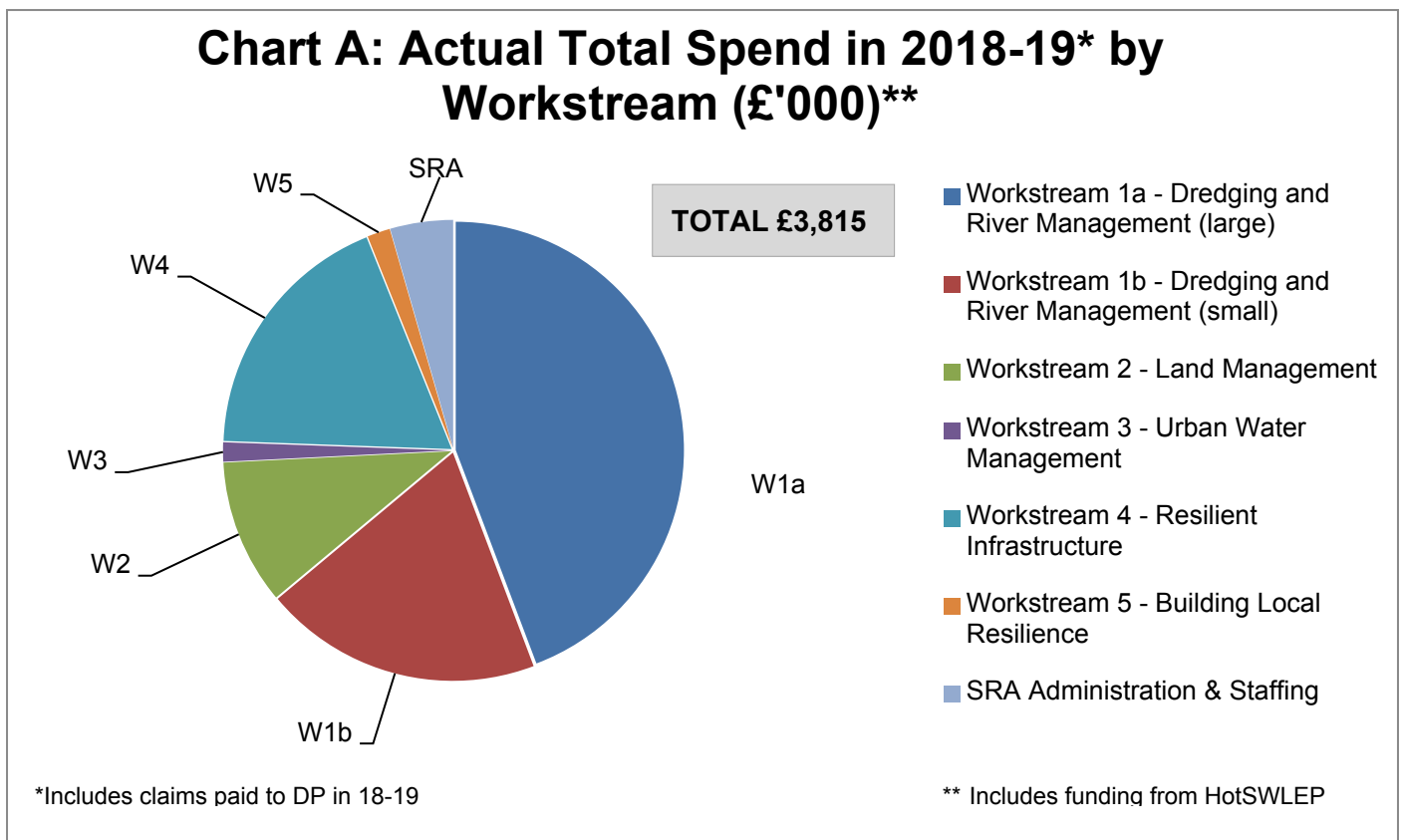
### 2. SRA actual and committed spend during 2018-19

For the purposes of this report, actual and committed are defined as follows:

- **Actual** – total funds that have been paid to delivery partners (DPs).
- **Committed** – is where DPs have either completed, but not yet drawn down the funds from the SRA or where DPs have contracted to have works undertaken.

SRA delivery partners can only draw down SRA funding after works are completed and invoices have been paid. This results in a delay between what SRA delivery partners have spent and how much has been claimed from the SRA. As the 2018-19 financial year has now ended there is no committed or forecast spend for 2018-19, all spend is what has been paid to delivery partners (actual).

Chart A shows the total actual spend for 2018-19.



During 2018-19 the SRA processed delivery partner claims totalling £3,815k, £1,122k (29%) of which was paid during Quarter Four. Of the total amount paid:

- 44% (£1,693) relates to Growth Deal funded actions including Bridgwater Tidal Barrier, delivery of 'Slow the Flow' Capital Grant Schemes, the Sowy/KSD Enhancement Scheme and Pioneer Dredging.
- 51% (£1,952) relates to Enhanced Programme works (funded from Local Partners funding).
- 5% (£170k) relates to administration and staffing.
- **A detailed breakdown of spend by project has been provided to Panel Members in 'Confidential Appendix 2018-19 Financial Detail'**

**Table B** summarises the financial position as at the end of Quarter Four 2018-19.

| <b>Table B: Somerset Rivers Authority 2018-19 Financial Summary</b>                              |                                   |   |                                 |
|--|-----------------------------------|---|---------------------------------|
|  | <b>Allocated Funds in 2018-19</b> | <b>Total Paid to Delivery Partners in 18-19</b> | <b>Forecast 2019-20 Onwards</b> |
|  | <b>£'000</b>                      | <b>£'000</b>                                    | <b>£'000</b>                    |
| Enhanced Programmes  | 4,922                             | 1,951   | 2,971                           |
| Provision for Sowy/KSD Enhancement Scheme  | 943                               | 0   | 943                             |
| Contingency  | 220                               | 0   | 220                             |
| SRA Administration and Staffing  | 203                               | 171   | 32                              |
| <b>SRA Funding – excl. Growth Deal</b>   | <b>6,288</b>                      | <b>2,122</b>                                    | <b>4,166</b>                    |
| <b>Growth Deal Funding</b> - Pioneer Dredging, Sowy/KSD, Bridgwater Tidal Barrier, Slow the Flow | <b>6,542</b>                      | <b>1,693</b>                                    | <b>4,849</b>                    |
|  |                                   |   |                                 |
| <b>Total</b>   | <b>12,830</b>                     | <b>3,815</b>                                    | <b>9,015</b>                    |

### 3. Change in contingency from Quarter Three 2018-19

The total contingency held has increased by £41k since Quarter Three. The total amount of contingency held is now **£220,000**. Contingency can be used to fund project overspends, increases in project scopes and new projects. Table C below details the changes to the contingency fund.

**Table D** summarises the financial position at the end of 2018-19. It also shows the total amount of funds allocated to projects and carried forward to 2019-20.

| <b>Table D: SRA Funds Allocated in 2019-20</b>       |   |
|--|---|
|  | <b>Remaining Funds carry forward to 2019-20<br/>£,000</b> |
| SRA Local Partner Total                              | 4,167   |
| Growth Deal Funding Total                            | 4,849   |
| <b>Total allocated to schemes for use in 2019-20</b> | <b>9,016</b>  |
| 2019-20 Local Partners Funding                       | 2,926   |
| <b>Total allocated to schemes for use in 2019-20</b> | <b>11,942</b>   |
| <b>Total Local Partners funding</b>                  | <b>7,093</b>  |
| <b>Total Growth Deal funding</b>                     | <b>4,849</b>  |

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