

Somerset Rivers Authority Joint Scrutiny Panel Paper

Quarter 2 2019-20 Finance Report

RECOMMENDATION

The SRA Joint Scrutiny Panel is asked to:

- Note and comment on the financial performance as at the end of quarter two of 2019-20.

Background and context

This report, together with the associated documents, deliver 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, SCC 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;*

This report provides information on the financial position at the end of quarter two. It includes a proposal for moving the remaining budget from a number of completed projects to contingency.

Somerset Rivers Authority does not deliver projects, instead the partners that make up the SRA partnership deliver projects on behalf of the SRA and once projects are complete, claim back the cost of the works.

There are two main sources of funding which the SRA draws on:

- a. Local Partner Funding – money raised annually by an additional amount on Council Tax and direct contributions from the Internal Drainage Boards
- b. 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 31st March 2019 and funds allocated to schemes in 2019-20.

Table A summarises the financial position as at the end of 2018-19 financial year. It also shows the total amount of funds carried forward and available in 2019-20.

Table A: SRA Spend as at 31st March 2019 and funds allocated to schemes in 2019-20 and beyond			
	Funds Received (or due)	Total Paid to Delivery Partners pre 2019-20	Remaining Funds
	£,000	£,000	£,000
SRA Funding			
CLG Funding	341		
Previous Years Local Partner Funding	11,201		
2019-20 Local Partner Funding	2,926		
SRA Local Partner Total	14,468	7,375	7,093
Growth Deal Funding	13,049	8,200	4,849
Total	27,517	15,575	11,942

2. SRA actual and committed spend during 2019-20.

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

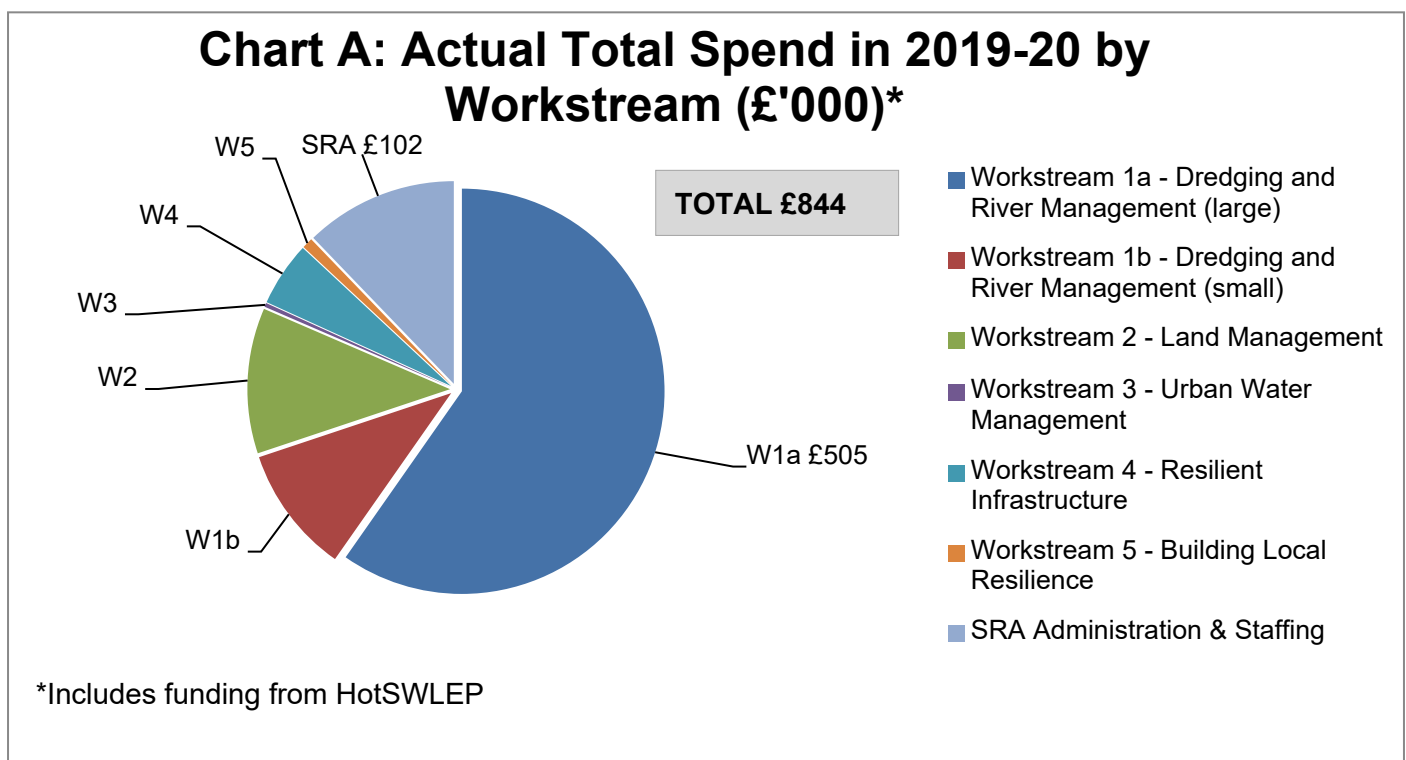
- **Actual** – total funds that have been paid to delivery partners (DP).
- **Committed** – is where DPs have either completed work, but not yet drawn down the funds from the SRA or where DPs have contracted to have works undertaken.
- **Forecast** – an estimate of any further spending on projects which has not yet been claimed or committed

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.

Table B summarises the financial position as at the end of quarter two 2019-20 and committed and forecast spend for 2019-20 and future years. Further detail is provided below the table.

Table B: Somerset Rivers Authority Quarter Two 2019-20 Financial Summary					
	Allocated Funds in 2019-20 £'000	Total Paid to DP in 2019-20 (Q1+2) £'000	2019-20		Forecast 2020-21 Onwards £'000
			Committed £'000	Forecast £'000	
SRA Funding – excl. Growth Deal					
Enhanced Programme	6,722	242	695	1,630	4,063
Contingency	129	0	0	0	129
SRA Administration and Staffing	242	102	100	40	0
SRA Funding – excl. Growth Deal	7,093	344	795	1,670	4,192
Growth Deal Funding					
Pioneer Dredging, Sowby/KSD, Slow the Flow	4,849	500	278	1,714	2,357
Total	11,942	844	1,073	3,384	6,549

Chart A shows the total actual spend for quarter two 2019-20.



During quarters one and two 2019-20 the SRA processed delivery partner claims totalling £844k. Of the total amount paid:

- 59% (£500k) relates to Growth Deal funded actions including delivery of the Sowey/KSD Enhancement Scheme and Pioneer Dredging.
- 29% (£242k) relates to Enhanced Programme works (funded from Local Partners funding)
- 12% (£102k) relates to administration and staffing.

3. Re-allocation of budget to/from contingency

The claims returned by delivery partners for quarter two have identified the following underspends. The reasons for the underspends are listed below.

Table C: Reallocation of funds to contingency			
Project	Delivery Partner	Reason	Amount £
Woolston Moor Scheme	SWTC	Following an initial CCTV survey in advance of starting any works it was concluded no further works required at this location.	14,305
Planning Requirements	SCC, Lead Local Flood Authority	Initially the project was to set out how planning requirements to reduce runoff can be determined. The subsequent SRA funded project for a SuDS Developer Guide will now supersede this project.	12,419
Amount to re-allocate to contingency			26,724

Following approval by the Board to reallocate the funds to contingency, the SRA contingency fund increased by £27k from £129k to £156k.

Recommendation

The SRA Joint Scrutiny Panel is asked to:

- Note and comment on the financial performance as at the end of quarter two of 2019-20.

Date: 12/12/2019

Author: Rebecca Hall, Finance Manager

Note: The quarter two 2019-20 detailed commercially sensitive update has been circulated to the Board. This report has been updated with changes approved at the previous SRA Board meeting in September 2019.

