

Somerset Rivers Authority Joint Scrutiny Panel Paper

2021-22 Annual Finance Update

RECOMMENDATIONS

The Somerset Rivers Authority (SRA) Joint Scrutiny Panel is asked to:

1. Consider and comment on the SRA financial performance for financial year 2021-22.

Background and context

This report provides information on the financial position at the end of quarter 4 which is the latest period full financial data is available.

Somerset Rivers Authority does not deliver projects, instead the partners that make up the SRA partnership deliver projects on behalf of the SRA and reclaim funding after contractors / suppliers are paid. This results in a delay between what SRA delivery partners have spent and how much has been claimed from the SRA. This means that the amount claimed may not reflect the amount of work which has been completed by SRA partners.

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.

Confidential Appendix A provides Scrutiny Panel Members a detailed breakdown of project funding allocations.

1. Local Partner Funding Financial Performance

The total available funds at the start of the 2021-22 financial year were £10,388k made up of £7,446k carried forward from 2020-21 and £2,942k raised in the 2021-22 precept.

TABLE A: Local Partner Funding Summary at end of 2021-22							
Area of spend	2021/22 Funding Allocation £,000	Spent				Forecast 2022/23 Onwards £,000	
		2021/22 Q1 £,000	2021/22 Q2 £,000	2021/22 Q3 £,000	2021/22 Q4 £,000		
Enhanced Programme	9,164	182	749	744	919	6,473	
Core work and development	250	0	0	2	18	230	
Administration & Staffing	286	53	75	32	57	0	
Contingency	688	0	0	0	0	688	
TOTALS	10,388	235	824	778	994	7,391	

As at the end of 2021-22:

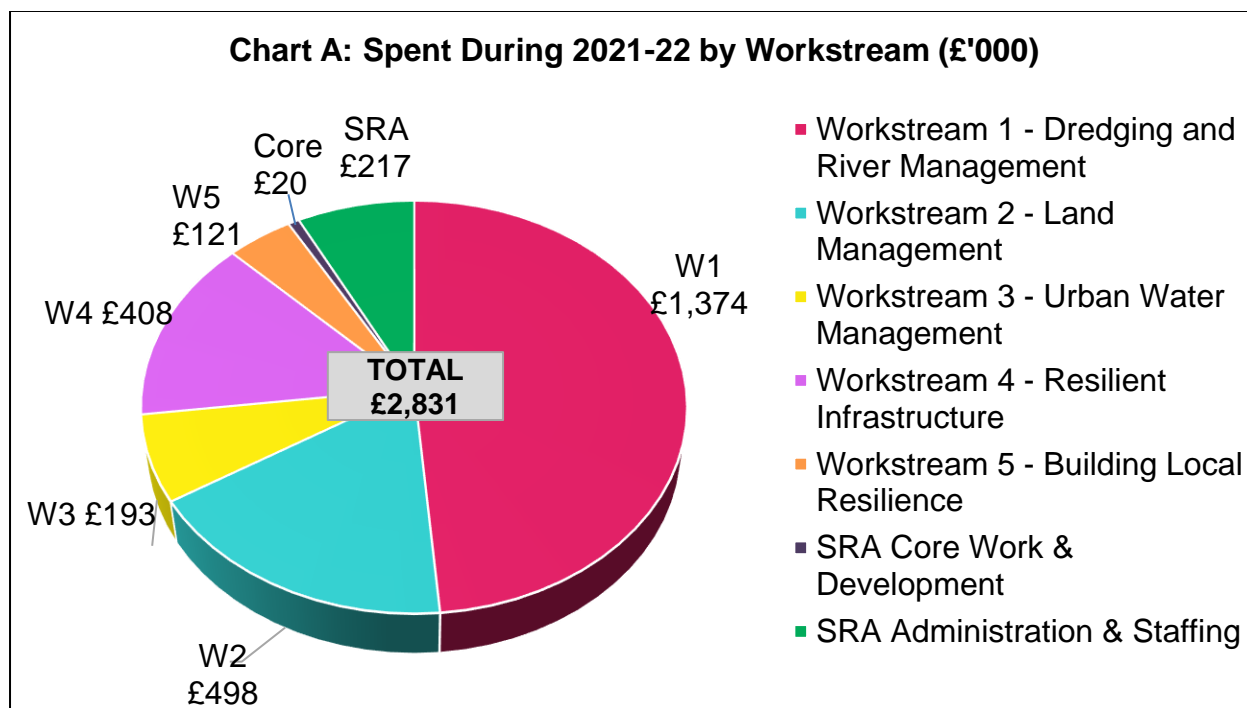
- 3% of funds are forecast to be spent on the administration and staffing of the SRA.
- 2% will be spent on SRA core work and development.
- 7% is held as contingency.
- 88% is allocated to specific projects and activities within the Enhanced Programme.

The SRA spend during Quarter Four 2021-22 totalled £994k. Of this £697k was spent on Workstream One works;

- Dredging and River Management including; £306k on the bank raising as part of the River Sowy - Kings Sedgemoor Drain Enhancements Scheme;
- £245k on the Parrett and Tone annual maintenance dredging; and
- £120k towards the Tone Strategic Flood Alleviation Scheme.

The remaining £323k was spent delivering natural flood management schemes across the county, SuDS Inspections and building local resilience in communities.

Chart A below shows a breakdown of the total amount spent during 2021-22 across all workstreams. The draft SRA annual report provides a detailed account of SRA funded project activity during 2021-22.



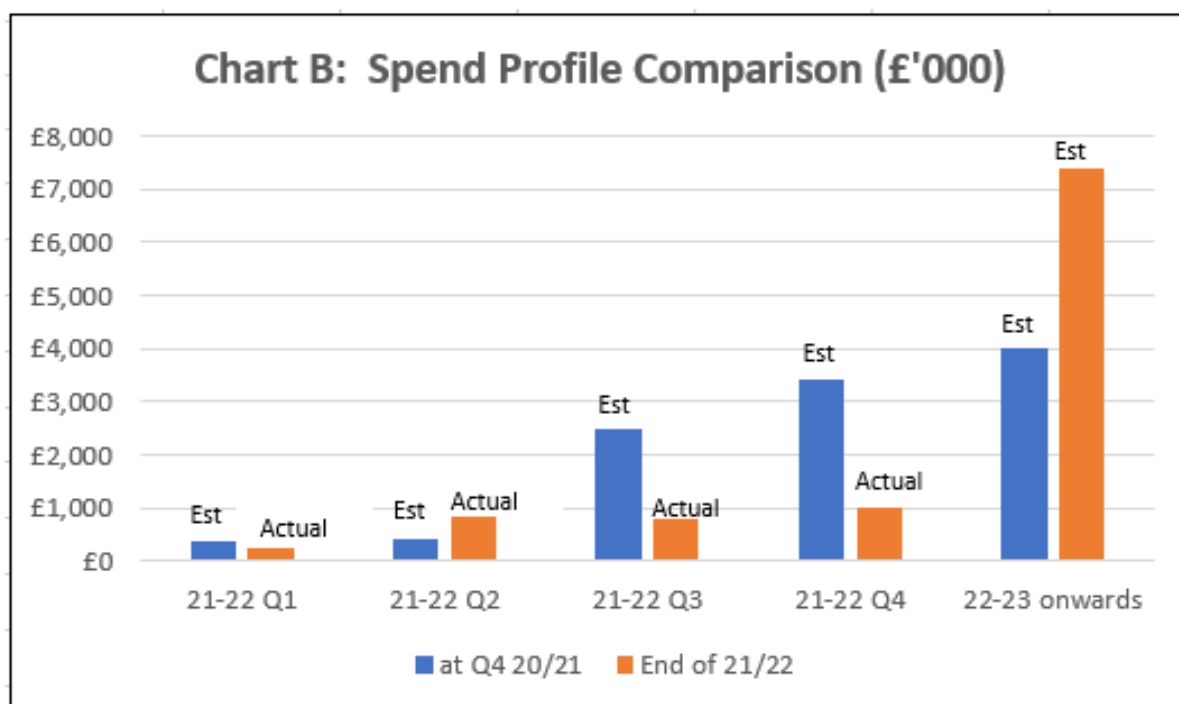
1a. Spend Profile Summary

Chart B below shows SRA spend by quarter as forecast at the beginning of the financial year (blue) and the actual profile (orange) of SRA spend throughout the financial year.

For example: the Quarter Four (Q4) spend for 2021-22 was originally estimated to be £3,420k as forecast at the end of Q4 2020-21, however the actual spend in Q4 was £994k.

The starting estimate for overall spend in 2021-22 was £6,688k. The actual spend for the financial year was £2,831k. The majority of the slippage (£2.528k) is due to the works on the River Sow-King's Sedgemoor Drain enhancements being delayed until summer 2022.

£348k of spend on workstream W3 – Urban Water Management has slipped into 2022-23 due to the lack of resource at the Lead Local Flood Authority.



2. Growth Deal Funding Financial Performance

The full amount of £13,049k Growth Deal funding has now been claimed from the SRA by delivery partners.

Project	Funding Agreement Allocation £,000	Claimed to end of 2020-21 £,000	Actual Claims 2021-22 Q1 £,000	Actual Claims 2021-22 Q2 £,000	Total Claims £,000
River Sowy/King Sedgemoor Drain Enhancement Scheme	8,204	7,045	329	830	8,204
Pioneer Dredging, River Parrett	2,230	2,230	0	0	2,230
Land Management	550	550	0	0	550
Bridgwater Tidal Barrier	2,000	2,000	0	0	2,000
Taunton Strategic Flood Alleviation Scheme	65	65	0	0	65
TOTAL	13,049	11,890	329	830	13,049

Although the Growth Deal funding has been claimed, the overall Somerset Flooding project continues to be delivered using SRA Local Partner Funding. These projects are the three local intervention schemes as part of the Taunton Strategic Flood Alleviation Improvements Scheme due for completion in 2024, the remaining works of the River Sowy-King's Sedgemoor Drain Enhancements Scheme to be completed in 2022, and the Bridgwater Tidal Barrier continues to

wait for approval of the Transport and Works Act Order (TWAO) before commencing to the construction phase.

RECOMMENDATIONS

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

1. Note the financial performance as at the end of 2021-22.
2. Approve the re-allocation of funds to and from contingency as per Part Two.

Date: 29 June 2022

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