

John Osman

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The Right Hon Elizabeth Truss
Department for Environment, Food and Rural Affairs/DCLG
Nobel House
Smith Square
London
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Dear Elizabeth

Thank you for your letter of the 17th December confirming the government's agreement to both continue to work with us to develop our preferred long term funding solution and to provide flexibility to Somerset to put in place a 'shadow' precept for 2016/17 as an interim measure, pending the establishment of the Somerset Rivers Authority as a precepting body.

We very much welcome your commitment to the importance of the Somerset Rivers Authority and its vital work which recognises our responsibilities within the national context to undertake important flood prevention work judged to be essential locally. However, in establishing the Somerset Rivers Authority as a precepting body to provide that 'extra' level it will be vital to demonstrate that, in both the short and long term, this will not result in Somerset's sparsity being further disadvantaged, particularly in the light of the recent events in the north of England. As a result, thank you also for confirming the government's commitment to ensuring this local funding is, and will remain, truly 'extra'.

The dreadful situation in the north of England has further illustrated the need for a fresh approach to be taken, one which seeks to expand upon the national flood management approach by complementing national funding with funds raised locally to address the specific needs of the area and ensure maximum value is derived from the collective efforts of the local bodies.

The flexibilities you outlined will be helpful in the short term, albeit they do still present challenges in the context of current pressures on local government finances. The ability to raise funds through council tax up to 1.25% without affecting the referendum threshold and being able to show this separately on the face of council tax payers' bills is most welcome.

However, whilst acknowledging this, I would like to take the opportunity of reinforcing the need for legislation this year so that the SRA can be established as a precepting body, able to raise a precept from 2017/18. We first identified the need for a precepting body within the Flood Action Plan, put together with

Defra and published in April 2014, delivery of which required government support; we fleshed that out in our proposal for a precepting body, unanimously agreed by the then Leaders Implementation Group in November 2014; we conducted a joint review, with yourselves, of all the funding options during 2015 and in September 2015 reconfirmed, again unanimously, that the creation of a precepting body was what we wanted and again requested your support for its delivery. As a result I would ask you for reassurance that the necessary legislation will be put in place in time to raise our first precept, no more than 3 years after we all first agreed it as an action in the Flood Action Plan.

It might, at this point, be helpful to restate why establishing the SRA as a precepting body is so important, and why therefore the 'shadow' precept can only be a very short term fix, despite its welcome flexibilities. There are a number of reasons:

- a) The need for one organisation, as opposed to several, to have teeth, power, responsibility and accountability, for the funding and delivery of the 'extra' flood management works that are needed in Somerset. It is the need for an autonomous, independent organisation. All local partners (Somerset's local authorities and the two Somerset IDBs) have agreed they will stand together and be held to account. If the funding decisions are made severally within each Somerset local authority, then that is where responsibility and accountability would reside. This would add further confusion to the already muddy picture of flood risk management accountability. Decisions would have to be subjected to review by the individual funding local authorities and this would inevitably mean a loss of autonomy and an increased risk of a loss of focus on the whole.
- b) We have developed a 20 Year Flood Action Plan which recognises the flood risk management need for long term planning and therefore which relies on regular and reliable funding. If the funding remains a decision of each local authority, even if supported by a Memorandum of Understanding, there is plenty of evidence in Somerset and beyond to suggest that it will be unreliable and subject to time consuming annual negotiations.
- c) The role, experience and knowledge of the IDBs is recognised and valued within the partnership now and would continue with the collective responsibility and accountability that an independent precepting body would have. If, however, funding and accountability comes only from the local authorities, this would weaken the role of the IDBs in decision making.
- d) Whilst welcoming the 1.25% uplift in baseline for determining referendum principles for next year, we have developed a 5 year programme of extra work that varies year to year, but on average amounts to more than the £2.7m that the 1.25% represents. A separate precepting body would need to set its initial precept at a level that took this into account.
- e) Until the SRA is established as an independent precepting body and therefore a legal entity, all legal accountability for funding, delivery of outcomes, health and safety, procurement, employment etc has to go through one or other of the partners (at the moment SCC). As a result

there is added complexity and costly bureaucracy arising from the need to set up arrangements that protect the host authority, protect the funders and safeguard the purposes of the SRA itself. All this will be avoided once the SRA is established properly.

Finally I would suggest that we recognise both the importance of the commitment milestone that has been reached, together with the need to continue to work together to ensure the delivery of the precepting body by 2017/18, by agreeing an MoU for the forthcoming financial year.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Osman', with a stylized flourish at the end.

Cllr John Osman
Chairman of Somerset Rivers Authority (and Leader of Somerset County Council)