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| **Meeting Date:** | 7th November 2019 | | | | | |
| **Agenda Item:** | Item 7 and 8c | | | | | |
| **Item Subject:** | Growth Deal – Oxon Link Road | | | | | |
| **For:** | **Discussion** | **X** | **Decision** | **X** | **Information** |  |
| **Purpose:**   1. To consider the proposals being put forward by Shropshire Council on the merger of Oxon Link Road (OLR) with the Shrewsbury North West Relief Road (SNWRR) | | | | | | |
| **Recommendations:**  1) To approve the proposed merger of the existing OLR scheme with the Shrewsbury North West Relief Road (SNWRR) subject to consideration of this paper and satisfactory financial information and assurances being provided to the Marches LEP by Shropshire Council. | | | | | | |
| 1. **Background**   The Oxon Link Road (OLR) project was awarded £4.2m to deliver a new high-quality road running between the A5 and Holyhead Road, forming part of the Shrewsbury West Sustainable Urban Extension (SUE) and providing new homes and jobs. It would also act as an enabling project for the Shrewsbury North West Relief Road (SNWRR).  Following a monitoring visit undertaken by the LEP secretariat on 12 June 2019 with the ORL Project Team it was explained that the project sponsor (Shropshire Council) was considering merging the OLR project with the SNWRR.  At September’s Board meeting the risks associated with the OLR were discussed, these included the absence of 19/20 claim forms, no correspondence being received on the proposed merger or confirmation on how this could affect the 20/21 allocation of £785,705.  The LEP are aware that discussions have been held at senior officer level at Shropshire Council. To help provide clarity on the project moving forward a deadline of 31 October 2019 was set for Shropshire Council to formally outline their plans to the LEP for Growth Deal Funding in relation to the Oxon Link Road scheme and proposed merger. Shropshire Council have now outlined their plans and the proposal papers are contained within Appendix 1 and 2 for Board consideration.  The proposed merger is considered a low-level risk due to the amount of Growth Deal Funds already utilised (£2,647,000) and the considerable work undertaken on the OLR project to date.  Board members are asked to consider the information provided by Shropshire in the appended reports.  **Further information covering finance, governance and outputs were requested from Shropshire Council in relation to these reports and the proposal. The responses to these are detailed below:**   1. **Outputs**  * The LEP secretariat requested clarification on the Outputs which were agreed at the May LEP Board meeting and profiled for 20/21 and how they would be delivered and achieved. Shropshire Council have confirmed that following discussions with the Economic Growth team, Shropshire Council’s position is that the outputs are unaffected by the proposal to combine the OLR and SNWRR.  1. **Finance**  * Shropshire Council have provided some information relating to the remaining scheme costs, however further information on the financial reprofiling will need more clarification. * The LEP requested further confirmation on how the remaining £8,734,222 of Match profiled for 20/21 will be achieved – information from Shropshire Council is still outstanding. * The LEP requested further confirmation on the costs incurred by the LEP to date and whether they are still relevant – some information from Shropshire Council is still outstanding, further clarification is being sought.  1. **Governance**  * The LEP requested further confirmation from Shropshire Council that this proposal does not require Shropshire Council Cabinet/Full Council agreement. Shropshire Council responded confirming that the decision taken by the Major Projects Board to seek to combine the two schemes is consistent with the delegation and therefore a separate agreement would not be necessary and that members would be fully briefed ahead of the planning application for the combined scheme.  1. **Recommendation** 2. To approve the proposal for the merger of the existing OLR scheme with the SNWRR in consideration of the above, and subject to satisfactory financial information being received. | | | | | | |
| **Financial implications:**   * That LGF funds are spent and defrayed by March 2021 * Any LEP underspend against its Growth Deal allocation, could impact on level of grant provided by Government to the Marches LEP. | | | | | | |
| **Legal Implications:**   * N/A | | | | | | |
| **Risks, opportunities and impacts:**   * The merger has potential to deliver outputs in excess of the OLR scheme, however these have not been quantified at this stage. * Timescales of project development and delivery needs to be carefully managed. | | | | | | |

**Appendices**

Appendix 1 – Report on the merging of the OLR and NWRR Schemes **(Commercially sensitive therefore not loaded onto website**

**)**Appendix 2 - Supporting Technical Report **(Commercially sensitive therefore not loaded onto website)**

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