

Meeting date:	03.08.2023				
Agenda Item:	8				
Item Subject:	Oxon Link Road (OLR)				
For:	Discussion	x	Decision	x	Information

Purpose of the Paper:

To discuss the progress of Oxon Link Road and the recommendations of PRMC.

Summary of Recommendations:

The Board are asked to consider the recommendations of the PRMC which were:

PRMC recommends that the LEP Board triggers clawback on the OLR if:

- the plans do not go to committee when it is scheduled to on 18 July (N.B. OLR was not presented to the planning committee on the 18th July, the decision has been postponed to September)
- the plans are not approved for the North West Relief Road (NWRR), or
- there is no approved start date for work to commence on site for the OLR by the time the Board meets given that decoupling the project was requested last year and assurances given by the Council.

Main points:

The contract for the OLR commenced on the 1st December 2015. Shropshire Council (SC) received a grant of £4.2 million from the 1st round of Local Growth Fund to deliver a number of outputs, including 1.14km of new road. The Council also committed to generate match to the value of £8,734,222. Under the terms of the original contract the project was due to be completed by 30th November 2020 and the last claim to be submitted on the 30th November 2021.

However, it has suffered a number of delays with a number of revised dates being put forward and missed. The project issues and updates have been to the LEP Board 9 times in total, as well as to PRMC numerous times. It has been ranked in the top 5 risks for non-delivery on the LEP risk register for the last 24 months (see timeline in Appendix 1).

It was confirmed at the last PRMC meeting that the North West Relief Road was due to go planning on the 18th July 2023, which also covered OLR. We were then informed the week before that meeting that the planning application would go to a planning committee in September/late summer. It's understood that the Environment Agency had concerns about the project which couldn't be addressed before the 18th July. The Council feel these issues can be addressed though before the September LEP Board meeting. There is also strong local opposition due to concerns about the need and cost of the scheme as well as the environmental impact, with campaigners pictured outside Shirehall earlier in July.

It should be noted that there is public interest in the LEP's decision on the OLR grant with the PRMC minutes being picked up by both campaigners and the local press.

If NWRR doesn't go ahead, there will have to be a planning application submitted for OLR and a tender process will have to be run for a contractor. The Council has said worse case this will take 18 months.

The outline business case which includes traffic modelling and letters of support go back to 2015. Given the revised timescale from the Council it could be that the road isn't completed until 10-12 years after approval of funding was given by the LEP.

The Board needs to consider the viability of the project if planning is refused or deferred and whether the LEP should consider clawback of the funds for OLR and whether the original outline business case and traffic modelling is still valid.

Financial implications:

The return to the Marches LEP of a grant of £4.2 million. There will be associated costs with managing the clawback of the grant and administering the reallocation and monitoring of funds.

Legal implications:

Depending on the decision of the Board, the LEP would potentially have to start the clawback process with Shropshire Council as the accountable body supporting this process, recognising the need for clear separation of duties.

If the Board want to continue to support the OLR project, then an updated contract variation would need to be agreed with revised timescales.

As the grant was made available through the Local Growth Fund it would have to be used as capital spend to support local projects which help overcome strategic barriers to growth if clawed back.

Risks, opportunities and impacts:

Risks

The LEP has to be seen to be consistent in how it manages projects and deals with delays and non-delivery. If the LEP doesn't follow the same process as it has for previous projects suffering similar issues then there is the risk of challenges and reputational damage to the LEP.

There is an awareness of the financial situation at Shropshire Council, so any clawback decision should be mindful of the implications this may have for the Council and how the LEP needs to manage the implications and communications.

LEPs were awarded Local Growth Funds to administer the funds on behalf of government. LEPs are assessed annually on delivery and governance processes. Government and in particular NAO may raise questions about the LEPs governance processes if it can't be demonstrated that this allocation of funds has been managed appropriately. While the LEP has been very patient and accommodating with the OLR project, it has left the LEP exposed to criticism that a project that received funding 8 years ago hasn't yet been delivered.

Due to uncertainty about the future of the LEP, the funding if clawed back would have to be reallocated this year, with funding ringfenced to oversee the delivery and monitoring of any new projects awarded funding.

Equality implications: n/a

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Background papers/documents:

Appendix 1- [Schedule of key decisions and meetings](#)