

AUDIT COMMITTEE 27 SEPTEMBER 2024

PUBLIC QUESTION TIME

Question from Mr Frank Oldaker:

In the Annual Report by the Portfolio Holder for Highways, about the North West Relief Road funding, an assurance was included that “there remains full confidence that the Council has a fall back position to fully meet the emerging costs of the scheme should the “fully funded” offer not go forward in the light of the recent national election.”

To meet the scheme programme the Full Business Case and the “confirmed methodology around local match generation” needed to have been “considered in detail” by the full Council at yesterday’s meeting - which of course did not happen. Today this committee is presented with an update on the management of the project, following the critical audit, which seeks to “give comfort” that all is well. However, the reason that has been given for this latest delay is that it has been decided to complete section 106 agreements first.

This was never necessary before presenting the FBC and the funding plan to the council and as the delay threatens the construction programme, risking further cost increases, is extraordinary.

To provide reassurance that the funding of this scheme is on a sound basis and is not a threat to the strategic financial position of the council, nor to other works that require CIL monies, and that the cost escalation allowed for is adequate - will the committee please recommend that a thorough independent audit of the funding proposals is carried out?

Response from Mark Barrow, Executive Director of Place:

To clarify, it remains a prerequisite from the DfT (who will be receiving the completed Full Business Case (FBC) following Council approval), that Full Planning Permission is in place before submission. As such, the Council must complete the 3 no section 106 agreements with all parties concerned in order to trigger this. This requirement was given to the project as part of the decision made by Northern Planning committee in February 2024. There is no additional impact on the scheme costs for this delay, as the programme being considered as part of the open market tender exercise currently allows a programme duration to accommodate this.

As part of the FBC, the full local match funding approach for the project must be identified. This will require the approval of Council also before the FBC is submitted. As part of the FBC preparation, the Council can confirm that the local funding mechanism that will be outlined will not impact or limit its current agreed programme of delivery around other prioritised strategic projects.

The project would welcome the ongoing involvement of the audit committee in the future stages of delivery of this key project, and will fully engage as required to give both Members and the public, confidence that the scheme is being progressed in full accordance with the councils financial management rules.