

## REPORT TO VACATION COMMITTEE – 31 JULY 2014

### ABERDEEN WESTERN PERIPHERAL ROUTE/BALMEDIE – TIPPERTY GOVERNANCE AND APPROVALS PROCESS

#### 1 Recommendations

The Committee is recommended to:-

- 1.1 **delegate to the Chief Executive, or his nominated representative, the decision-making power in respect of Independent Project Assurance Model (IPAM 4) Key Stage Review for the Aberdeen Western Peripheral Route/Balmedie-Tipperty (AWPR/B-T) Project.**

#### 2 Background/Discussion

- 2.1 Members of the Infrastructure Services Committee of 26<sup>th</sup> January 2012 (Page 1305 Branch 14 refers) endorsed the project governance and management arrangements that would apply to the Aberdeen Western Peripheral Route/Balmedie-Tipperty (AWPR/B-T) Project going forward.
- 2.2 In particular, Members agreed to delegate approval of the Independent Project Assurance Model (“IPAM”) Key Stage Reviews 1 to 3 inclusive to the Chief Executive, or his nominated representative, on the AWPR/B-T Project Board.
- 2.3 The report of January 2012 set out how all Non Profit Distributing (“NPD”) projects are required to go through IPAM Key Stage Reviews at certain pre-defined points during the procurement (based on the Competitive Dialogue procurement process), namely:
  - IPAM 1 – Pre Official Journal European Union (OJEU)
  - IPAM 2 – Pre Invitation to Participation in Dialogue (ITPD)
  - IPAM 3 – Pre Close of Dialogue
  - IPAM 4 – Pre Award
- 2.4 IPAM reviews are short, focused reviews of a programme or project that occur at key decision points in a project’s lifecycle. They are conducted by a team of experienced practitioners, independent of the AWPR/B-T Managing Agent and Transport Scotland, and drawn from, or on behalf of, the Scottish Futures Trust (“SFT”) who play a key role in advising Scottish Ministers on major investment decisions.
- 2.5 As reported to Members of the Infrastructure Services Committee on 26<sup>th</sup> January 2012, the outcome and approval of the IPAM 4 (Pre Award) Key Stage Review was reserved to Members of both Aberdeenshire and Aberdeen City Councils. This procedure was put in place to reflect the previous funding arrangements whereby both Aberdeenshire Council and Aberdeen City Council would have on-going responsibility to pay a proportion of the NPD Unitary Charge for the AWPR Northern and Southern Legs for 30 years post-construction of the scheme.

- 2.6 As reported to Members of the Policy & Resources Committee on 28<sup>th</sup> February 2013 the obligation upon Aberdeenshire Council and Aberdeen City Council to pay a proportion of the NPD Unitary Charge has now been completely removed, in lieu of an upfront capital contribution by both local authorities with a cap on each Council's contribution at £75m each.
- 2.7 It is recommended that Members agree to delegate the decision-making power in respect of Independent Project Assurance Model (IPAM 4) Key Stage Review for the Aberdeen Western Peripheral Route/Balmedie-Tipperty (AWPR/B-T) Project to the Chief Executive or his nominated representative on the AWPR/B-T Project Board, thereby recognising that the financial risk in relation to the quantum of the Unitary Charge has been transferred, in its entirety, from both Councils to the Scottish Government.
- 2.8 Approval of the recommendations within this report will allow for the efficient delivery of the Project Board governance responsibilities and a continuity of scrutiny by the Chief Executive on the outcome of the IPAM 4 Key Stage Review in his role as the representative of the Council on the AWPR/B-T Project Board.
- 2.9 Aberdeenshire Council, whilst a Funding Partner to the AWPR/B-T Project, will not be required by financial lenders to approve or authorise the signing of the NPD Contract for the AWPR/B-T Project as this role falls to Aberdeen City Council in its capacity as Agent of the Scottish Ministers.
- 2.10 In this respect, Members may wish to note that Aberdeen City Council approved a similar report to this one asking to delegate Elected Member decision making powers in respect of IPAM 4 Key Stage Review to their Chief Executive, or her nominated representative, at Full Council on 25<sup>th</sup> June 2014.
- 2.11 The Head of Finance and the Monitoring Officer within Business Services have both been consulted and their comments are incorporated within the report.

### **3 Equalities, Staffing and Financial Implications**

- 3.1 An Equality and Human Rights Impact Assessment has not been completed as this report relates to administrative arrangements only.
- 3.2 There are no current staffing implications arising from this report.
- 3.3 There are no specific financial implications arising as a result of these recommendations.

**Stephen Archer**  
**Director of Infrastructure Services**

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Date: 3<sup>rd</sup> July 2014