



**Council
26 February 2026**

Item

Public

North West Relief Road Update

Responsible Officer:	Andy Wilde		
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Cabinet Member (Portfolio Holder):	David Vasmer		

1. Synopsis

This paper sets out the circumstances that have led to the current pause on the Shrewsbury North West Relief Road (NWRR) and recommends that Council approves the formal cancellation of the project.

2. Executive Summary

- 2.1. Following discussions with the Department for Transport (DfT), Shropshire Council took the decision to pause all development of the NWRR from 23rd June 2025. This followed the last Full Council decision on 29th February 2024 extending the Funding Delegation and directing officers to progress the project up to the submission of the Full Business Case to DfT (see Background Papers).
- 2.2. The Council’s more recent decision to pause the project was due to emerging updates on the current forecast costs to completion that made the project unaffordable. The point has now been reached where it is clear that the Council cannot afford to build the NWRR and accordingly, it is now necessary to seek the formal cancellation of the project.
- 2.3. DfT are aware that Council will be required to formally agree the position on NWRR cancellation before this can be confirmed to them.
- 2.4. For planning and delivery purposes, the NWRR is a continuous road linking the A5, west of Shrewsbury, to the A5124 (Battlefield Link Road) north of Shrewsbury.
- 2.5. From a funding perspective however, the NWRR is a composite of two projects, the NWRR and the Oxon Link Road (OLR). The OLR, providing a road link from the A5

to the B4380 (Holyhead Road), has an independent business case with development-based outputs linked to the Shrewsbury West (Sustainable Urban Extension).

- 2.6. The funding arrangements for the OLR are separate to the NWRR, being provided by the Marches Joint Committee (formerly Marches LEP), and pre-date DfT's NWRR funding award in 2019.
- 2.7. The OLR is currently being assessed separately in terms of its future delivery, and this will be subject to separate Council consideration in due course.
- 2.8. As a result of a combination of factors, the original estimated cost of the NWRR project has significantly increased since originally assessed; from the Outline Business Case £74.2m in 2018 to £162.4m at the Full Business Case in 2024 (at current prices in 2024). At this cost and given other pressures on the Council's revenue and capital budgets, which have become apparent over the course of this financial year, the council is no longer able to proceed with this project as it has become unaffordable.
- 2.9. This uplift in cost resulted in a funding gap of £88.2m which the Council was expected to finance from PWLB borrowing. The additional revenue liability arising out of this borrowing requirement would need the Council to set aside a revenue budget of £4.465m per annum over a 50-year period to cover both principal and interest repayments. In the current financial situation faced by the Council this is deemed unaffordable.

3. Recommendations

- 3.1. That the North West Relief Road (DfT funded project) is formally cancelled.
- 3.2. To request that the S151 officer make appropriate Capital Programme and accounting adjustments following the decision in paragraph 3.1.

Report

4. Financial Implications

- 4.1. It is noted that the estimated cost of the project has increased very significantly since 2018. The full costs for the project would fall on the Council and principally would become a demand on borrowing with the consequences for the Council's general fund budget. It is also noted that the project has been paused since June 2025 and that DfT have been made aware of the need for Council to confirm any decision to cancel it.
- 4.2. This report is therefore recommending that the NWRR project be cancelled on the basis of affordability.

- 4.3. Subject to agreement of Council to the cancellation, the S151 Officer will take steps to ensure that appropriate accounting transactions are made within the Council's statement of accounts to support the decision. In particular, these transactions will be in respect of costs previously sunk into the project up to the date on which it was paused. These costs amount to approximately £32m and are set out in Appendix 1. It is recognised that some of these costs may be reattributed to neighbouring schemes, including the Oxon Link Road.
- 4.4. Completion of this work will require dialogue with other organisations that helped fund and support the early phases of the project, and especially the Department for Transport.
- 4.5. These entries will need to reflect any impacts arising from the government's response to the Council's bid for Exceptional Financial Support, the repurposing of capital expenditure incurred to date to other associated road projects and clear reference to capital accounting requirements. At all times, these adjustments will be subject to relevant regulations and will be subject to scrutiny by external auditors, ensuring compliance with financial regulations as appropriate.
- 4.6. The main recommendation made in this report recognises the unprecedented financial demands facing the Council and the financial emergency declared by Cabinet on 10 September 2025.

5. Climate Change Appraisal

- 5.1. The cancellation of the NWRR will have no effect on the Councils existing carbon commitments.
- 5.2. As part of its draft Planning Conditions, (Condition 41), the NWRR project acknowledges that while further measures to reduce the whole life carbon impact of the scheme are proposed through design & construction, a residual impact will remain.
- 5.3. The current estimate of the residual impact of building the NWRR that will need to be addressed is 55,904 tCO₂e.
- 5.4. Shropshire Council has committed to owning the carbon from the scheme and including this within its commitment as an authority to be carbon neutral by 2030.
- 5.5. The NWRR project proposes, under its requirement to discharge Condition 41, a process for achieving net carbon neutrality by 2030 through purchase of Carbon Credits and a range of local in County measures.
- 5.6. On cancellation of the NWRR however, the residual impact would not be realised, the mitigation measures would not be required, and as such the Councils existing carbon baseline would be unaffected.

6. Conclusions

- 6.1 Attempts to increase the value of grant funding beyond original agreements to match the additional estimated costs have been unsuccessful. The extent of the additional

costs make it impossible to fund locally, not least in the context of the financial emergency that it faces.

- 6.2 As a result, the project has been paused since June 2025 to prevent further costs being incurred whilst its future is fully considered.
- 6.3 This paper summarises the fact that the cost of the NWRR has outstripped the council's resources to fund it. Therefore, Council is now called on to consider the cancellation of the project.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

[Date](#)

Local Member:

Ed Potter - Loton
Jon Tandy - Bicton Heath
Rhys Gratton - Harlescott
Ben Jephcott - Bagley
Alex Wagner - Quarry & Coton Hill
Rob Wilson - Copthorne
Brendan Mallon - Tern

Appendices

FINAL COSTS OF NWRR PROJECT – APPENDIX 1

FINAL COSTS OF NWRR PROJECT APPENDIX 1

Spend on North West Relief Road to date	
Works Type	Total Spend
Engineering Consultant - Planning & Design	21,931,312.99
Highway Pre-Construction Contracts	7,536,394.56
Legal Costs	705,668.13
Utility Works Contracts	75,608.65
Asset Protection Agreements	27,507.95
Internal Project Management Costs	863,256.22
Public Consultation Events	58,744.72
Ground Investigation & Piling Works	572,305.97
Surface Testing	7,553.00
Environmental Impact Study	3,200.00
Annual Licence Fees	50,094.50
Planning Fees	54,509.80
Land Agents & Compensation Payments for Land use	267,336.80
	32,153,493.29