



Nigel Tidy
2nd November 2022

Three lines of defence:

(1) CBC Chief Finance Officer (S151) - Assurance Letter and Statement of Grant Usage.

(2) DLUHC – ‘Deep Dive’ - Request specific documents and a virtual meeting.

(3) Government Internal Audit Agency.

DLUHC raise red flags around 40% variance in finance and delivery performance for further investigation through a ‘deep dive’. (May exclude materials shortages and seasonal construction delays).

DLUHC will also select a 5% sample for a ‘deep dive’ review.

Deep dives include:

- Sample testing of procurements

- Review of decision making and governance

- Counter fraud actions

- Subsidy Control

- Town Deal Board – ToR, etc.

Payments may be withheld or changed to new staged payments following the outcome of a ‘deep dive’.

There will be an internal audit (CBC) for the Towns Fund programme in Quarter 3.

| Project | Capital | Revenue | Total Towns Fund | Match Funding |
|---------|---------|---------|------------------|---------------|
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| # | Project | Financial Forecast 2022/23 | Financial Forecast 2023/24 | Milestones 2022/23 |
|----|---|-------------------------------|-------------------------------|--|
| 1A | Innovation Centre | £397,010 | £1,050,000 | Planning Q3 Contractor on site Q4 |
| 1B | Invest in Skills | £1.35m £1,059,375 | £3.0m £2,042,625 | Planning Q3 Contractor Q3 |
| 1C | Green Tech Infrastructure Business Grants | £350,000 | £860,00 | Biz Advisors Tender Q3. LEC Tender now. Pilot Q4 |
| 1D | Eastern Gateway Commercial Quarter | £0 | £50,000 | Consultants tender Jan- |
| 2A | Town Centre Bus Station | £100,000 £50,000 | £100,000 £150,000 | Public engagement - Q3. Planning Q4. |
| 2B | Cycle Route MR Gatwick | £0 | £200,000 | |
| 3A | MR Gigabit Scheme | £1,050,000 | £800,000 | |
| 4A | TC Cultural Quarter | £75,000 | £150,000 | Tender delivery partner Q3. Cultural Quarter event in FY22/23 |
| 4B | Manor Royal Business Environment | £350,00 | £500,000 | Two Micro-Parks delivered end of FY 2022/23 |
| 4C | Green Homes Retrofit Prog. | £303,700 | £1,23,100 | Surveys Q3 Installation pilots Q4 |

| Risk | Consequences | Pre-mitigated Impact | Pre-mitigated Likelihood | Pre-mitigated Raw Total Score | Mitigations | Post-Mitigated Impact | Post-mitigated Likelihood | Post-mitigated Raw Total Score | Proximity |
|-----------------|--------------|----------------------|--------------------------|-------------------------------|-------------|-----------------------|---------------------------|--------------------------------|-------------|
| Short timeframe | | Yellow | Light Green | Orange | | Yellow | Light Green | Yellow | Yellow |
| | | Yellow | Pink | Red | | Yellow | Light Green | Yellow | Light Green |
| | | Pink | Green | Light Green | | Yellow | Green | Light Green | Green |

Project Risks

Procurement, supply chain, cost escalation