

## **Report to Executive Director for Place Services**

**May 2021**

### **Award of Contract and Endorsement of Fund Allocation: Crawley Growth Programme Eastern Gateway Scheme**

#### **Report by Growth Programme Delivery Manager, Crawley**

**Electoral divisions: All in Crawley**

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#### **Summary**

The Crawley Growth Programme (CGP) is a key delivery mechanism to achieve the economic growth outcomes, as agreed in the Crawley Growth Deal.

The programme is supported by financial allocations from the Coast to Capital Local Enterprise Partnership (LEP), West Sussex County Council (WSCC) and Crawley Borough Council (CBC).

A WSCC decision in December 2017 ([LDR04 \(17/18\)](#)) agreed funding allocations and delivery governance for the projects within the CGP. A critical CGP project, that was approved in December 2017, is the Eastern Gateway scheme in Crawley Town Centre.

WSCC decision [OKD12 \(19/20\)](#) approved the award of the design contract (stage 1) for the Crawley Eastern Gateway project to Volker Fitzpatrick Limited.

Detailed design and further engagement have now been completed for the Eastern Gateway improvement scheme and it is proposed that scheme delivery is now progressed to construction by letting the Stage 2 Construction Contract to Volker Fitzpatrick Limited.

#### **Recommendations:**

1. That the Executive Director for Place Services is asked to approve allocation of the remaining unspent project budget of £7.360m to complete construction. This includes an allocation of up to £0.500k for this project, from within the Crawley Growth programme capital allocation to increase Eastern Gateway's total budget from a total of £8.350m to a total £8.850m; and
2. approves the award of the Phase 2 contract (the construction phase) to Volker Fitzpatrick Limited and endorses that the Contract Target Price is within the above remaining budget constraint of £7.360m.

## **Proposal**

### **1 Background and context**

- 1.1 The Crawley Growth Programme has been developed with partners following the completion of the Crawley Growth Deal, signed by the Leader of the County Council and CBC in December 2016.
- 1.2 The Coast to Capital LEP, WSCC and CBC have allocated funds to the programme totalling around £31.8m.
- 1.3 A WSCC decision in December 2017 (LDR04 (17/18)) approved funding allocations and delivery governance for each of the proposals identified in the CGP. The contractual lead for projects is identified as either WSCC or CBC depending on which authority is best placed to secure delivery. WSCC is identified as the contractual lead for the Eastern Gateway improvement scheme.

### **2 Proposal details**

- 2.1 The Council invited bids in relation to a two-stage process; design and the build contract. Volker Fitzpatrick submitted a compliant bid for both stages and was awarded the Stage 1 (Design) contract to enable all necessary information to be prepared and ready for construction.
- 2.2 The Executive Director is asked to approve awarding Stage 2 (Construction) contract to Volker Fitzpatrick to undertake all necessary works to implement the proposed improvements. The purpose of this report is to secure approval to let the Construction contract for Eastern Gateway to the value of £5.421m.
- 2.3 The contract is expected to commence Summer 2021 and works will continue until the Summer 2022.
- 2.4 In addition, this report seeks to release all remaining allocated funds to the total of £7.360m. This includes an increase in allocation of up to £0.500k for this project, from within the Crawley Growth programme. This increases Eastern Gateway total budget from a total of £8.350m to a total £8.841m. The £8.841m total figure includes all spend to date and project management costs during construction, to facilitate completion.

### **3 Other options considered (and reasons for not proposing)**

- 3.1 A number of options were considered at the feasibility stage. The preferred design option 4 was chosen as it best met the following key objectives:
  - Improve connectivity between the town and key development sites in the vicinity of the proposals including the Town Hall, County Buildings, Crawley College and Telford Place.
  - Support the delivery of residential development in Crawley Town Centre – the Crawley Growth Programme identifies the need to provide over 1,000 additional homes to develop the critical mass of housing required to create a new neighbourhood where people live and work.

- Support the delivery of commercial development in Crawley Town Centre – the lack of good quality commercial space is identified as an issue that is holding back the Town and the Crawley Growth Programme identifies an aspiration to provide an additional 135,000sqm of commercial space across the Borough.
- Improve the public realm and living environment in the town whilst returning a positive cost benefit ratio.

#### **Option 4 - Cost £8.349m**

Decluttering of the highway;  
 Reduction in the size of the roundabout  
 High quality cycling facilities with widening and rerouting  
 Existing pedestrian crossings to be upgraded/widened while retaining majority of existing junctions' layout.  
 Dedicated public realm area and uplift in public realm quality  
 Provision of raised carriageways sections along College Road and The Boulevard

3.2 Other options considered are as follows:

#### **Option 1 - Cost £6m**

Decluttering of the highway;  
 Cycle lane within existing highway  
 Existing pedestrian crossings to be upgraded/widened  
 Limited targeted public realm and material pallet  
 New pedestrian signalled crossing on College Road opposite Queensway Gateway feature

#### **Option 2 - Cost £9.7m**

Decluttering of the highway;  
 Existing pedestrian crossings to be upgraded/widened  
 New pedestrian signalled crossing on College Road opposite Queensway Gateway feature  
 High quality cycling facilities with widening and rerouting  
 Dedicated public realm area with uplift in public realm quality  
 Section of raised carriageway in College Road

#### **Option 3 - Cost £10.96m**

Decluttering of the highway;  
 Conversion of College Rd/The Boulevard roundabout to signalised junction  
 High quality cycling facilities with widening and rerouting  
 Existing pedestrian crossings to be upgraded/widened  
 Dedicated public realm area significant uplift in public realm quality  
 Fully raised carriageway for the extent of College Road  
 Gateway feature.

- 3.3 The option not to proceed with the proposal would result in the County Council not delivering on a commitment within the Crawley Growth Deal and Crawley Growth Programme, it would also mean the loss of the LEP funding secured and awarded to the Crawley growth programme.

#### **4 Consultation, engagement and advice**

- 4.1 The Cabinet Member with portfolio responsibility for the CGP, Councillor Bob Lanzer, has been consulted.
- 4.2 The Local Member Councillor Karen Sudan has been consulted.
- 4.3 Key officers and members at CBC have been consulted. The proposal is supported by the Crawley Growth Board.
- 4.4 The proposal is supported by the LEP. An initial public engagement process, undertaken by WSCC, identified significant local support for the Eastern Gateway proposals. Comments received during the consultation have been considered and influenced the current designs. [Further details of the public engagement process](#) can be found on the County Council website
- 4.5 A Full Business Case for the proposal has been agreed by the WSCC Highways & Transport Hub.
- 4.6 The proposed procurement route is supported by the WSCC Procurement Board.

#### **5 Finance**

- 5.1 Funding for the CGP schemes delivered by WSCC is allocated in the WSCC Capital Programme, this currently has £21.216m in the proposed section. A CGP funding allocation of £8.350m to the Eastern Gateway project was agreed in December 2017 ([LDR04 \(17/18\)](#)). Current estimates suggest that the project requires an additional £0.500m to complete the project taking the total cost of the project to £8.850m. This project will be funded from pre-approved funding within the CGP and Capital Programme including Local Growth fund awarded from the LEP, WSCC corporate borrowing and secured external contributions. The total Crawley growth Programme budget remains unchanged.

<b>Revenue Expenditure Approved to date.</b>					
<b>Type of Spend</b>	<b>17/18</b>		<b>18/19</b>		<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Feasibility Design	0.009		0.00	0.00	0.009

	<b>Capital Expenditure Approved to date</b>				
<b>Type of Spend</b>	<b>17/18</b>		<b>18/19</b>		<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Prelim, detailed Design and Site Investigation works	0.064	0.273	0.644	0.500	1.481

<b>Capital Expenditure Requested Profiled Over Financial Years</b>					
<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>0.000</b>	<b>4.416</b>	<b>2.208</b>	<b>0.736</b>	<b>0.000</b>	<b>7.360m</b>

5.2. The effect of the proposal. The Eastern Gateway scheme will:

- Improve connectivity between the town and key development sites including the Town Hall, County Buildings, Crawley College and Telford Place.
- Support the delivery of residential development in Crawley Town Centre – the Crawley Growth Programme identifies a commitment to secure the delivery of over 1,000 additional homes in order to develop the critical mass of housing required in the town centre to create a new neighbourhood where people live and work.
- Support the delivery of commercial development in Crawley Town Centre – the lack of good quality commercial space is identified as an issue that is holding back the Town and the Crawley Growth Programme identifies an aspiration to provide an additional 135,000sqm of commercial space across the Borough.
- Improve the public realm and living environment in the town – currently much of the area is outdated, of poor quality and car dominated.

## **6 Risk implications and mitigations**

<b>Risk</b>	<b>Mitigation</b>
LEP funding cannot be drawn down beyond the March 2021 funding window.	<ul style="list-style-type: none"> <li>• Continue dialogue with LEP to agree the funding profile and any necessary extension (Ongoing)</li> </ul>
Both the formal and statutory consultation outcomes can have unforeseen outcomes and could have considerable impact on the scheme programme delivery and costs.	<ul style="list-style-type: none"> <li>• Continue with programme of engagement with consultees throughout design process. (Ongoing)</li> </ul>
Construction programme clash with neighbouring developments	<ul style="list-style-type: none"> <li>• Liaison with developers and local planning authority / planning performance agreement</li> <li>• Coordination of traffic management strategies between all developments at Crawley Town Centre.</li> </ul>
Cost escalation	<ul style="list-style-type: none"> <li>• Avoid scope creep and market testing with contractors</li> </ul>

Scheme may not meet criteria on value for money and deliverability	<ul style="list-style-type: none"> <li>Continue to work with key stakeholders during the design stage to process value engineering proposals, without compromising the scheme's objectives</li> </ul>
COVID-19 outbreak which could impact the project cost and programme especially as current indications are unclear on how long government Social Distancing guidance will apply.	<ul style="list-style-type: none"> <li>'Inform and discuss with Board to highlight the risk of potential project delay and how this can be mitigated.</li> <li>Keep Internal and External stakeholders engage with the project development.</li> </ul>
COVID-19 - Cost increase due to impact of government guidance on working methods to maintain safe working practices	<ul style="list-style-type: none"> <li>PM to ensure that suitable budget allocation is made to cover potential impact.</li> </ul>
COVID-19 - Supply chain capacity & material	<ul style="list-style-type: none"> <li>Proactively monitoring the financial resilience of core suppliers. Consider innovative approaches to procurement to ensure that long-term risks are managed in a transparent, balanced and efficient way</li> </ul>
COVID -19 - Output, productivity and programme delays	<ul style="list-style-type: none"> <li>Assess the impact of government advise on works, impact on output levels and advise the project board accordingly. Liaise with the contractor to explore feasible options of working longer shifts hours (where possible).</li> </ul>
COVID-19 - Risk of supply chain Cashflow & finances difficulties	<ul style="list-style-type: none"> <li>PM to liaise with the contractor to proactively monitor the financial resilience of core suppliers and consider options to relax payment conditions to ease cashflow issues.</li> </ul>

## 7 Policy alignment and compliance

- 7.1 The scheme will provide improvements to sustainable transport infrastructure through the provision of an off-road shared use path for non-motorised users. This will have a positive impact on non-motorised users including those who are physically less able who will be afforded better access to services without necessarily having to use vehicular transport. This is expected to contribute to greater independence in later life as well as generally improved health and well-being for the local community.

- 7.2 **Legal Implications:** Approving the recommendation in this report will commit the County Council to let the Stage 2 Construction contract for Eastern Gateway to Volker Fitzpatrick Ltd.
- 7.3 **Equality Duty and Human Rights Assessment.** The equality impact of the scheme has been considered. In general, it is considered that no group or groups are discriminated against and that through improved access to housing and employment as well as the provision of a new sustainable, off-road, route for travel by those who use non-motorised transport the scheme has a positive social impact.
- 7.4 **Climate Change:** The proposed improvements will have positive impacts on climate change as it promotes the use of sustainable travel modes and create safer environment for facilities users.
- 7.5 **Crime & Disorder:** At this point no significant implications relating to the Crime and Disorder Act have been identified. However, a risk has been added to the project risk register noting the increased potential for the unauthorised vehicles to make use of the cleared land. Mitigating actions are under consideration to reduce this risk.
- 7.6 **Public Health:** The proposed improvements will help all able and disabled persons get around the area. Furthermore, elderly as well as the young can safely utilise the improved facilities and this is expected to contribute to greater independence in later life as well as generally improved health and well-being for the local community.
- 7.7 **Social Value:** The proposed scheme will directly and indirectly provide improved access to both housing and employment. In addition, it will provide improvements to sustainable transport with the provision of an off-road segregated routes for cyclists and pedestrians. This will have a positive impact on non-motorised users including the disabled who will be afforded better access to services without necessarily having to use vehicular transport. This is expected to contribute to greater independence in later life as well as generally improved health and well-being for the local community.

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**Appendices:** None