

**Report to Matt Davey, Assistant Director (Highways, Transport and Planning)**

**25 September 2024**

**Delivery of Bus Services Enhanced Partnership Schemes: contract award for Manor Royal Bus Lane Extension Phase 3**

**Report by Guy Bell, Head of Highways (Planned Delivery)**

**Electoral division(s): all**

**Summary**

In April 2022 the Government confirmed that the County Council could be awarded c. £17.4m to deliver some of the ambitions in its [Bus Services Improvement Plan \(BSIP\)](#).

The grant funding for the Manor Royal Scheme is available until 30 September 2025 by when the ambitions will have to be delivered. The [Summary Enhanced Partnership Plan Spending Plan](#) approved in June 2022, and subsequently updated and [approved](#) in October 2023 by the Cabinet Member for Highways and Transport, sets out the revenue funded service improvements and capital highways schemes to be delivered.

This report is about the procurement and award of contract for the Manor Royal bus lane extension works.

**Recommendations**

The Assistant Director (Highways, Transport and Planning) is asked to approve the award of contract (total value £618,356) to Landbuild Ltd. to deliver the Manor Royal Bus Lane Extension Phase 3 works using the County Council's framework – Lot 6 Infrastructure Improvements.

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## Proposal

### 1 Background and context

- 1.1 WSCC (West Sussex County Council) [entered into an Enhanced Partnership](#) with local bus operators in March 2024. The partnership has been established to deliver countywide bus service patronage recovery and improvements in line with the [Bus Back Better](#) National Bus Strategy for England.
- 1.2 Following an ambitious BSIP being submitted in October 2021 with a bid of more than £90m, the Department for Transport (DfT) confirmed that the council had an indicative award of £17,401,596 (of which £11,982,180 capital and £5,419,416 revenue) over three years.
- 1.3 A [Spending Plan was developed and agreed](#) based on the available funding in July 2022 before being submitted to DfT for final evaluation.
- 1.4 The DfT agreed the Spending Plan and, as of July 2024, has now provided the full capital grant funding of £11,982,180 since the partnership was formed. This funding supports the Enhanced Partnership Plan and Schemes that were subject to a statutory consultation held over six weeks from late November 2022 to start of January 2023.
- 1.5 The DfT agreed a six-month extension of time for delivery of the Manor Royal scheme to 30 September 2025. The works programme shows this deadline to be achievable and includes an allowance for unforeseen delays.
- 1.6 The aim of the BSIP targeted by the Manor Royal Bus Lane Extension scheme is providing a bus priority scheme designed to enhance reliability and reduce journey times.
- 1.7 In January 2023, a [Cabinet Member Key Decision](#) was taken to delegate authority to the Assistant Director (Highways, Transport and Planning) to undertake the procurement process and award the contract for Manor Royal Bus Lane Extension.
- 1.8 In October 2023, a [Cabinet Member Key Decision](#) was taken to make changes to the BSIP project and allocate an additional £1.67m of funding to the Manor Royal Bus Lane Extension budget.
- 1.9 In January 2024, the Assistant Director (Highways, Transport and Planning) [awarded framework agreements](#) under Lots 4, 5, 6 and 7. The WSCC Lot 6 Infrastructure Improvements framework is a valid, cost effective and compliant route to market for the Council.

### 2 Proposal details

- 2.1 The key objective of the scheme is to provide the missing link in the dedicated bus lane on Manor Royal connecting the A23 London Road in the west and Gatwick Road in the east. This final phase of bus lane improvements along the western end of Manor Royal connects to earlier phases of bus lane improvements already delivered along the corridor.

- 2.2 This scheme proposal will provide 350 metres of bus lane from the A23 London Road to the Crawley Business Quarter / Doosan Power Systems access on the northern side of Manor Royal. The delivery programme will enable works to be completed by the extended DfT BSIP deadline of the end of September 2025.
- 2.3 The cost of the Manor Royal Road Bus Lane Extension scheme had risen notably due to the need to move a number of utilities under the carriageway and significant inflationary pressure affecting build costs. The cost estimates had risen from £1m to £2.67m. It was agreed that some funding originally programmed for the Crawley MMI (Multi Modal Interchange) was to be used to underwrite the additional £1.67m cost of delivering the Manor Royal Bus Lane extension.
- 2.4 The scheme originally budgeted for a significant sewer and other utilities diversions. However, following trial hole investigations, engagement with Thames Water and other utility companies, re-design was undertaken to minimise the extent of widening in the proximity of existing utilities. This re-design work has reduced the forecast spend to within the approved budget allocation.
- 2.5 A recent procurement process of mini competition through the Lot 6 Framework has been completed for the delivery of the Manor Royal Bus Lane Extension Phase 3 works to commence in the 2024-25 financial year. Four compliant tenders were received and a full and detailed evaluation and moderation process duly followed based on a 70/30 price/quality assessment criteria.

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

- 3.1 The other procurement option considered was Hampshire County Council's Gen5 Framework. Gen5-2 is for medium works with a maximum value of £5m. It is available to local authorities and public bodies in the south east and south west of England. This option was discounted because the County Council's Lot 6 Infrastructure Improvements framework was renewed in April 2024 and is a valid, cost effective and compliant route to market for the Council.

### **4 Consultation, engagement, Legal and Commercial Panel advice**

- 4.1 Bus operators were engaged in April 2022 on challenges they faced coming out of the pandemic and how bus services could improve. With the challenge of recovery funding ceasing in October 2022 they were very keen to work with the council to explore other ways to help services to recover and where improvements could facilitate greater bus use.
- 4.2 WSCC and Surrey County Council officers jointly met with Gatwick Airports Ltd to understand the impacts of the pandemic on the airport as a major transport interchange and the economy of surrounding area. This allowed exploration of potential service and infrastructure improvements to aid recovery and for the airport to flourish again and work towards a carbon neutral status.

- 4.3 A public engagement exercise (The [Bus Back Better Survey](#)) was carried out during September 2021 to understand barriers to use, and ways services could be improved. This included online and paper surveys, that received 3074 responses from residents, District, Borough, and Town & Parish Councils, businesses, and bus user representatives.
- 4.4 This final length of bus lane on Manor Royal forms part of the bus lane improvements first identified in the Manor Royal Transport Strategy Plan in January 2017 and included in the Crawley Growth Programme of highway projects to significantly improve the quality of sustainable transport infrastructure on Manor Royal. The public engagement exercise undertaken in 2021 supported their implementation.
- 4.5 In December 2022, a Highways, Transport and Planning newsletter was sent to all WSCC members, all town and parishes across the county and some internal staff.
- 4.6 In February 2023, a Highways, Transport and Planning newsletter was issued to WSCC members, all 166 parish and town councils plus any additional residents' groups that exist instead of parish councils and some internal staff.
- 4.7 In December 2023, county, district and borough councillors and key stakeholders were consulted on the preliminary design proposals and their responses helped to shape the final detailed design.

## **5 Finance**

- 5.1 The DfT has confirmed £17,401,596 grant funding (£11,982,180 is capital and £5,419,416 revenue) over three years. The full capital grant of £11,982,180 has now been received from DfT.
- 5.2 The £11,982,180 capital funding for the BSIP schemes is in the WSCC Capital Programme as approved by a [Cabinet Member Key Decision](#) in January 2023; £1m of the capital funding was allocated for the Manor Royal bus lane.
- 5.3 The further [Cabinet Member Key Decision](#) taken in October 2023 reallocated DfT budget from the Crawley MMI and Bus Lanes scheme which could not be delivered by March 2025. Part of the reallocation included a further £1.67m to the Manor Royal bus lane extension to cover increasing costs associated with inflationary cost increases and underground utility diversions.
- 5.4 The capital cost for this contract is £618,356k. The delivery programme is 31 weeks from award of contract and completion of the works will be September 2025.
- 5.5 Revenue consequences
- 5.6 There are no revenue costs associated with construction of the new bus lanes.

5.7 The upgrading of signal equipment, resurfacing of the full width of carriageway, drainage repairs, new road markings and reduction in the grass verge width will improve infrastructure durability and reduce maintenance pressures in terms of traffic signals, pothole repairs, refreshing road markings and grass cutting requirements for the first 5 years and beyond. The increased carriageway surface area may increase silt discharge into the drainage system and additional signage will eventually need cleaning. However, the actual impact these will have on current and future maintenance regimes remains uncertain. Overall, the scheme will deliver immediate revenue benefits by reducing maintenance pressures.

5.8 Capital consequences

5.9 The BSIP Manor Royal bus lane extension capital budget is £2.673m over two years funded by DfT grant. As noted in paragraph 5.1, the funding for BSIP is subject to WSCC confirmation to the DfT that the ongoing assessment has concluded that the schemes remain value for money. The Year 3 funding submission to DfT, has been submitted and agreed by DfT and funding has now been received by WSCC in full.

	£m
Approved Budget	2.673
Actuals as at 11/09/24	0.440
Commitments as at 11/09/24	0.239
Forecast Commitments	0.536
Remaining Budget	1.458

5.10 The effect of the proposal:

- (a) The works will improve infrastructure durability that will prolong the life of the asset and reduce the maintenance cost over several years. The Lot 6 Highways Improvement Contract model ensures greater control and visibility in the delivery of the works. This model allows for a direct contractual arrangement with the contractor which has resulted in lower costs as there are no third-party procurement costs to cover.
- (b) The tender quality assessment criteria provided the Lot 6 framework contractors an opportunity to demonstrate how they will add value, realise efficiencies and apply innovations through their chosen delivery methodology for the works both technically and in terms of social value. This assessment criteria will optimise outcomes that benefit the county council, residents and visitors to the county.
- (c) The closer direct management of the delivery of works, continues to be managed within the existing levels of staff resource. Existing systems and established contract management tools are being used to enhance collaborative working between WSCC and seconded staff, service support resources, and contractor personnel. They will underpin the delivery, governance and data management for the works delivered under this Lot 6 contract.

## 6 Risk implications and mitigations

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
Programme overrun	The works have been procured with a key date for delivery of the end of July 2025 to build in contingency for unforeseen delays.
Funding not approved by DfT	The full capital grant has now been received from the DfT.
Company Insolvency	Landbuild Ltd. has undergone Due Diligence checks by WSCC as part of their appointment to the Lot 6 framework.
Project costs exceed budget	Contingency and Risk allowances have been applied to the project budget calculation and assessed regularly via Quantified Cost Risk Analysis

## **7 Policy alignment and compliance**

- 7.1 The Council Plan - the [Enhanced Partnership](#) (EP) and BSIP spend plan contribute to outcomes in the Council Plan, notably a sustainable and prosperous economy, and improving access for residents and visitors. In addition, they contribute to the delivery of the Council Plan supporting new and existing businesses and those sectors hit hard by COVID-19. The EP can enable better access to learning and employment opportunities, as well as help support local businesses with cost effective travel solutions for employees and customers.
- 7.2 Legal implications - The key legal arrangement will be in the form of a contract for the construction. This will be via the WSCC Framework Agreements (Capital works for Highways) Planned Improvements Lot 6 (for projects less than £2 million in value) NEC4 form of contract. This framework commenced on the 1st of April 2024, runs for four years and is an established route to construction with five pre-qualified contractors. The Contractor has been selected through the framework competitive tendering process, used frequently by WSCC, to undertake an appropriate procurement approach.
- 7.3 The Council will also need to enter into agreements with the statutory undertakers if any of the works should interfere with or have an impact on existing utilities.
- 7.4 Crime and Disorder - there will be positive Crime and Disorder implications if the EP is implemented. These arise from buses being more readily accessible (better frequencies, lower fares) making it easier for residents to access learning and/or paid employment reducing social deprivation, which is known to reduce crime. The construction of the bus lane is not likely to directly assist in the reduction of crime and disorder by itself but facilitates the wider objectives.
- 7.5 Social Value - was tested as part of the Framework Award. Specifically, using local suppliers as part of the supply chain, use of apprenticeships, responsible disposal of equipment. These align with Council Plan priorities 2 -

A sustainable and prosperous economy and 4 - Making the best use of resources.

- 7.6 Equality Duty - An equality impact assessment has been undertaken and was positive in meeting the Council's duties, see Appendix A.
- 7.7 Human Rights implications – None.
- 7.8 Climate change – encouraging the use of buses, by improving the bus infrastructure to give confidence to residents and businesses that the buses are running and on time, will assist in reducing car use and harmful air pollutants.
- 7.9 Public health – the Manor Royal bus lane would not in itself provide a benefit in public health terms. However, if it encourages more bus use because residents and businesses gain confidence in bus services running and timings then the combination of reduced car use and walking to the bus stop would have some public health benefit.

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**Appendices**

Appendix A - Manor Royal BSIP Phase 3 – Equality Impact Assessment

**Background papers**

None