

<b>Lee Harris, Executive Director Economy, Infrastructure and Environment</b>	<b>Ref No: OKD21 (18/19)</b>
<b>February 2019</b>	<b>Key Decision: Yes</b>
<b>Crawley Growth Programme – Delivery of Eastern Gateway Improvement Scheme</b>	<b>Part I</b>
<b>Report by Strategic Manager, Economy</b>	<b>Electoral Divisions: Crawley</b>

### **Summary**

The Crawley Growth Programme (CGP) is a key delivery mechanism to achieve the economic growth outcomes 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 (WSSC) and Crawley Borough Council (CBC). A WSSC decision in December 2017 (OKD03(17/18)) agreed funding allocations and delivery governance for the projects within the CGP. A critical CGP project approved in December 2017 is the improvements at Eastern Gateway in Crawley Town Centre.

Preliminary design and engagement has now been completed for the Eastern Gateway improvement scheme and it is proposed that scheme delivery is now progressed further through the procurement of a design and build partner from the WSSC Highways Design and Build framework.

The scheme will:

- 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 and commercial development in Crawley Town centre;
- Improve the public realm and living environment in the town.

### **West Sussex Plan: Policy Impact and Context**

This proposal will support the delivery of key economic priorities and benefits identified in the West Sussex Plan, particularly the Prosperous Place priority, agreed CGP and Crawley Growth Deal.

### **Financial Impact**

Funding for the CGP schemes delivered by WSSC is allocated in the WSSC Capital Programme. A CGP funding allocation of £8.35m to the Eastern Gateway project was agreed in December 2017 (OKD03(17/18)). Current estimates suggest that the scheme will be delivered within the current funding allocation for the project. It is anticipated that the project will draw funds from the LGF allocated by the LEP and the WSSC funding allocation to the CGP.

The contract will be awarded in two stages: Stage 1 (Detailed Design) and Stage 2 (Build). This split in the award will allow costs to be reviewed at the completion of the detailed design stage and next steps reviewed if the estimated build costs exceed

the budget available. Current estimates suggest that the risk of this is low.

## **Recommendation**

That the Executive Director for Economy, Infrastructure and Environment approves the commencement of a call-off procurement under an existing framework agreement for a design and build partner, from the WSCC Highways Design and Build framework, to progress the Eastern Gateway proposal.

## **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 Leaders 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 (OKD03(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.
- 1.4 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.

### **2. Proposal Details**

- 2.1 Preliminary designs have been completed following engagement with local residents and stakeholders. Preliminary designs can be seen here – <https://www.westsussex.gov.uk/roads-and-travel/roadworks-and-projects/road-projects/the-eastern-gateway-scheme/>

- 2.2 It is proposed that scheme delivery is now progressed through the procurement of a design and build partner from the WSCC Highways Design and Build framework Lot 2.
- 2.3 The contract will be awarded in two stages: Stage 1 (Detailed Design) and Stage 2 (Build). This split in the award stage will allow costs and quality to be reviewed at the completion of the detailed design stage and next steps reviewed if the estimated build costs exceed the budget available. Current estimates include appropriate optimism bias, costs assigned to risk and contingency and therefore the risk of cost issues at the completion of the detailed design stage is low.

## **FACTORS TAKEN INTO ACCOUNT**

### **3. Consultation**

- 3.1 The Cabinet Member for Highways and Transport has been consulted.
- 3.2 Key officers and members at CBC have been consulted. The proposal is supported by the Crawley Growth Board.
- 3.2 The proposal is supported by the LEP.
- 3.3 An initial public engagement process, undertaken by WSCC, has identified significant local support for the Eastern Gateway proposals. Comments received during the consultation have been considered and influenced the current designs. Details of the engagement can be found here: <https://www.westsussex.gov.uk/roads-and-travel/roadworks-and-projects/road-projects/the-eastern-gateway-scheme/>
- 3.4 A full business case for the proposal has been agreed by the WSCC Highways & Transport Hub.
- 1.5 The proposed procurement route is supported by the WSCC Procurement Board.

### **4. Financial (revenue and capital) and Resource Implications**

- 4.1 Funding for the CGP schemes delivered by WSCC is allocated in the WSCC Capital Programme. A CGP funding allocation of £8.35m to the Eastern Gateway project was agreed in December 2017 (OKD03(17/18)). Current estimates suggest that the scheme will be delivered within the current funding allocation for the project. It is anticipated that the project will draw funds from the LGF allocated by the LEP and the WSCC funding allocation to the CGP.
- 4.2 There are no revenue implications with this proposal.

#### 4.3 Capital resource implications

	Previous Year 2017/18 £m	Current Year 2018/19 £m	Year 2 2019/20 £m	Year 3 2020/21 £m
Capital budget	0.074	0.355	0.945	6.976
Funded by:				
Crawley Growth Programme - LGF	0.074	0.355	0.945	1.820
Crawley Growth Programme - WSCC	0	0	0	5.056
Crawley Growth programme - S106				0.100

The funding source identified is indicative. As agreed in the LEP funding agreement LGF will be fully allocated prior to drawing WSCC funds.

### 5. Legal Implications

- 5.1 The estimated value of the proposed contract(s) is £4.857m (£0.327m for stage 1 design and £4.414m for stage 2 build). The EU threshold for works contracts is £4,551,413, therefore, the Public Contracts Regulations 2015 (PCR 2015) will apply. The Council's [Standing Orders on Procurement and Contracts](#) will also apply.
- 5.2 In 2016, the Council procured a framework agreement for highways works in compliance with the PCR 2015. The proposed contract(s) come within scope of the WSCC highways framework agreement and therefore calling off from this framework agreement is in compliance with both the Council's Standing Orders on Procurement and Contracts and the PCR 2015. The NEC3 suite of contracts is the appropriate form(s) of contract for this work.
- 5.3 As a member of the LEP and the highway authority it is considered to be part of our statutory role to enable the delivery of local economic growth and WSCC is therefore undertaking core statutory duties in terms of our Crawley growth deal and the various aims that are set out in the business case.
- 5.4 The scheme, named Crawley Growth Programme; Eastern Gateway, is identified in the Capital Programme which as a whole has received Council approval. The individual contract(s) for the scheme are each a key decision, as per the Council's constitution. Prior to awarding the contract(s) to the selected contractor (following a mini competition under the highways framework agreement), an Officer key decision (with forward plan entry) to award the contract(s) will be required.
- 5.6 It is highly unlikely TUPE would apply either at commencement of the proposed contracts or at the end of the contract(s).

5.7 Works on the highway may require a highways licence, the WSCC highways department shall be consulted and the appropriate team within WSCC Legal Services shall be engaged by the client department as required. Land ownership shall also be confirmed prior to any works. WSCC Legal Services Property Team will be engaged as required.

## **6. Risk Assessment Implications and Mitigations**

6.1 Risks have been considered through a full risk workshop. The top 3 risks are:

- Difficulties created through the need to co-ordinate the numerous schemes progressing in the area
- Risk of delay in delivery
- Risk that supply chain may be able to deliver

6.2 A number of mitigation measures are in place to ensure that these risks are minimised including:

- regular scrutiny, across the programme, by a Programme Delivery Team and Senior Management Growth Board
- regular scrutiny of project progress through a Project Board
- early engagement with potential providers and supply chain

6.3 These risks, and others, will be monitored regularly and the mitigation approach reviewed if necessary.

## **7. Other Options Considered**

A number of options were considered at feasibility stage and these are identified in the business case. The preferred option was chosen because it best met key objectives and delivered an affordable proposal. The preferred option has been refined to take on board a number of issues raised during the engagement period.

## **8. Equality and Human Rights Assessment**

An assessment on the impact of the proposals on those with protected characteristics has been completed and is attached as Appendix A.

## **9. Social Value and Sustainability Assessment**

An assessment of the social value and sustainability implications has been completed and is attached as Appendix B.

## **10. Crime and Disorder Reduction Assessment**

None.

### **Contact Officer:**

Duncan Barratt, Strategic Manager, Economy (Tel 0330 22 23875)

**Appendices:**

Appendix 1: Equality Impact Report  
Appendix 2: Sustainability Appraisal

**Background papers**

None