

## COAST TO CAPITAL LOCAL GROWTH FUND FULL BUSINESS CASE

<b>Project Title:</b>	Crawley Growth Programme – Phase 3
<b>Lead delivery organisation:</b>	West Sussex County Council
<b>Organisation Address:</b>	County Hall, Chichester
<b>Lead contact name:</b>	Lee Harris, Executive Director for Place
<b>Issue Date:</b>	14.8.19

This document provides a template for a Full Business Case (FBC) for Coast to Capital to invest in a project through the Local Growth Fund (LGF). Please ensure you read the full [guidance document](#) to assist you in completing this form.

Projects funded from the Growth Deal are expected to contribute towards the Coast to Capital Gatwick 360 Strategic Economic Plan (SEP); to deliver economic outputs as detailed within the 8 priorities listed in the SEP, or to support the medium term delivery of our Strategy.

Projects can only request funding as stated within the EOI application; from **£500,000 and up to £2,000,000**, and must demonstrate a minimum of a 50% matched funding contribution.

The information provided in this form will help our Investment Committee, determine the eligibility of your project, and formally decide which projects called for the FBC stage have been successful following a presentation from applicants, that will allow opportunity for Committee members to ask questions. As part of this scrutiny Croydon Council as the acting Accountable Body for Coast to Capital will be ensuring all projects are State Aid compliant and therefore sufficient evidence is required.

The Investment Committee have delegated authority from Coast to Capital Board to make funding awards up to £2million, and make decisions on full or partial funding awards, or any funding conditions. Decisions made would be noted to the October Board meeting, following which funding awards will be announced.

FBC must submitted any time before: **12noon on Friday 16<sup>th</sup> August 2019**. **Any FBC not received after this deadline will NOT be accepted and will be returned to the applicant.** FBC submissions will be acknowledged by email within 24 hours.

Applicants must be able to evidence as part of the FBC that they are able to incur full LGF project costs (to include elements of matched funding), by **31st December 2020**.

Coast to Capital also reserves the right to withdraw / reclaim and re-allocate, all funding, if at any point in the delivery of successful projects, our Board believes that the full draw down will not be made.

If you have any queries or require further information please contact Coast to Capital on [localgrowthfund@coast2capital.org.uk](mailto:localgrowthfund@coast2capital.org.uk)

### Coast to Capital Disclaimer

By submitting this FBC, Project Applicants are agreeing to the following;

- Grant payment (in arrears) will not be made until a funding agreement is signed by both parties.
- All funds provided by Coast to Capital must be used for capital expenditure under the definition of capital provided within HM Treasury, CIPFA and International accounting standards.
- All costs and charges incurred as a result of making this application cannot be claimed as part of

the project.

- All FBC submissions will be treated in the strictest confidence, and will only be shared with those involved with the evaluation and the processing of your application (Coast to Capital Officers, London Borough or Croydon Accountable Body, Coast to Capital Investment Committee Members, and Board members).
- Successful FBC submissions who are awarded funding are required to agree as a condition of applying for this funding that their business case will be published in the public domain in full.
- Coast to Capital will keep a record of your contact details, and application on file. We may use your contact details to send you further information, notify you of further funding opportunities, and/or invite you to events organised by Coast to Capital or its partners. Your personal and business information will remain confidential.
- Applicants submitting an FBC will in doing so warrant to have agreed to be bound by the following conditions:
  1. Applicants will indemnify Coast to Capital against any claim for loss, costs or damages as a result of being unsuccessful at FBC stage.
  2. Applicants who are successful in obtaining a grant funding award following scrutiny of the FBC, agree to pay a fee to Coast to Capital to cover the cost of processing and preparing the funding agreement. This fee will be payable in advance and is set at a flat rate of **£9,500.00**, to cover legal and administration costs. This fee cannot be recovered through applications.
  3. Applicants who are unsuccessful following their submission and scrutiny of the full business case, accept that they will be informed in writing on the reasons for this decision in accordance with the attached Guidance, with further feedback only being provided to the extent and discretion decided by Coast to Capital officers.
  4. Applicants agree to not issue any written or verbal statements to any third party which could reasonably be seen to be designed to defame, discredit, or to undermine the decision reached by Coast to Capital in not awarding grant funding following their submission and scrutiny of the FBC.
  5. That the decision of the Coast to Capital Investment Committee and/or Board is final in deciding what FBC submissions are awarded funding, and there is no right of appeal.
  6. That no applications for information under the Freedom of Information Act (FOI) will be accepted from the applicant or any other party, as to the reasons for an application not being invited to full business case stage, or for feedback on the reasons why funding has not been awarded following the submission of an FBC, as Coast to Capital is not bound by this Act.
  7. The applicant warrants that they have not colluded with any other applicant to attempt to benefit their own application through falsification of information or reliance on other applications being successful.
  8. That applications made are on an unconditional basis.  
The applicant warrants that their application is state aid compliant. Applications at FBC submission must provide evidence and/or will be asked if they have taken independent legal advice that their application is state aid compliant. Applicants must accept that if subsequently at any point their project is established to not be state aid compliant, Coast to Capital, solely at the discretion of its Board, will withdraw and reclaim any funding awarded.

I .....(*insert name*) on behalf of  
.....(*insert applicant name*)  
confirm that we agree to be  
bound by the above application  
contractual terms.

Signed:



Dated: 14.8.19

## 1. Executive Summary

### 1.1) Overview of the project including what opportunity or barrier the investment will unlock:

This business case is for Phase 3 of the Crawley Growth Programme. Phase 3 will extend the delivery of the current Crawley Growth Programme to secure additional improvements and outcomes that otherwise could not be delivered. This phase focuses on further improving the transport connectivity to Manor Royal Business District.

The projects which make up Phase 3 are:

- The extension of the proposed bus lane in Manor Royal
- Improvement to the priority walking and cycling route between Gatwick Airport and Manor Royal
- Enhancement of planned Superhub bus stops

This investment will complement and build on the benefits being delivered as part of the existing Crawley Growth Programme.

The additional investment will further improve transport connectivity to and in and around Manor Royal Business District, leading to a reduction in bus journey times, modal shift from cars to buses, increased cycling and walking, and improved experience for those using public transport. This will enhance the attractiveness of Manor Royal Business District and potentially allow higher utilisation of new sites due to a reduced reliance on car parking. The project will significantly reduce the carbon emissions of those commuting to Manor Royal.

### 1.2) Please choose a priority area that is most appropriate to your project.

For further information around each priority area please review our Gatwick 360 Strategic Economic Plan.

Priority 1: Deliver Prosperous Urban Centres	<input checked="" type="checkbox"/>
Priority 2: Develop Business Infrastructure and Support	<input type="checkbox"/>
Priority 3: Invest in Sustainable Growth	<input type="checkbox"/>
Priority 4: Create Skills for the Future	<input type="checkbox"/>
Priority 5: Pioneer Innovation in Core Strengths	<input type="checkbox"/>
Priority 6: Promote better transport and Mobility	<input type="checkbox"/>
Priority 7: Improve digital network capability	<input type="checkbox"/>
Priority 8: Build a strong National and International profile	<input type="checkbox"/>

### 1.3) The fit with Coast to Capital Strategic Economic Plan: Gatwick 360, and the chosen priority above. Please identify if this project fits in with other priorities as above.

This business case is for a further phase of the Crawley Growth Programme, focussing on further improving transport connectivity to and around Manor Royal Business District.

Crawley is at the heart of economy of Coast to Capital. Gatwick 360 identifies labour productivity in Crawley as the highest in the Coast to Capital area – ‘Crawley alone, home to Manor Royal business Park, contributes £5 billion to the economy and has the eighth highest GVA per head in the UK’ - jobs in Crawley bring real value to the Coast to Capital economy.

The agreed Crawley Growth Programme is being delivered and supports the delivery of a number of the economic priorities identified in Gatwick 360. Particularly the programme promotes better transport and mobility to enable the delivery of **prosperous urban centres**.

*“By 2030, our area will be more prosperous than it is now, having caught up with our competitors. Our major urban centres – Brighton& Hove, Croydon and Crawley – will be ranked alongside the most productive places in the UK.”*

*Coast to Capital Strategic Economic Plan - Gatwick 360*

A key part of the ambition to deliver prosperous urban centres is improved transport connectivity:

*“..places connected by highly sustainable transport links with a low carbon footprint and low land usage that allow for more efficient movement of people and goods within and between local areas”*

*Coast to Capital Strategic Economic Plan - Gatwick 360*

The proposal in this bid will support **directly** the delivery of:

- Places for people that encourage social interaction and mixed communities
- places connected by highly sustainable transport links with a low carbon footprint and low land usage that allow for more efficient movement of people and goods within and between local areas.
- Rejuvenated local economies that add vitality and commerce

Aligned with the wider programme the proposal will support the delivery of:

- high-quality mixed-use schemes;
- innovative housing offering a range of tenures
- places for people supporting mixed communities

Over 30,000 people are employed in Manor Royal, the single largest business park in the Coast-to-Capital LEP area. It is home to over 600 companies and accounts for 25% of all jobs in Crawley. Providing over 9 million square feet of commercial floorspace in over 700 buildings, the contribution Manor Royal makes is critical to the local and wider regional economy. However, the attraction and retention businesses and employees expected to work there depends upon the ability to address a number of issues frustrating its competitive advantage, identified by independent studies and feedback.

Historically around 80% of journeys to Manor Royal are by car. Evidence suggests that well over 50% of Manor Royal employees could travel to work by foot, cycle or bus. The Crawley Growth Programme is delivering improvements that will support increased use of these modes. Over 10 million journeys per year are currently made on the Crawley bus network.

By supporting sustainable travel modes, particularly in partnership with Metrobus, we are taking the opportunity to innovate to further improve efficiency and reduce carbon emissions. Projects include the introduction of a low carbon fleet, enhanced service provision on key routes and the development of a multi modal ticketing and information platform.

The main proposal identified in this bid is the further extension of the proposed bus lane to create full-length bus lanes along Manor Royal Road eastbound and westbound carriageway. This is a capital infrastructure project within the existing highway that WSCC is best placed to deliver. The project has been developed with Metrobus and are key priorities building on the progress already made through the

current Crawley Growth Programme. The investment will build on the existing Fastway and remove an area of current delays to bus journeys.

The bus lane delivers key reliability improvements that will positively affect services across the region as well as the journey time savings, as it removes the unpredictable element of the traffic congestion in Manor Royal, giving greater consistency to bus users. It will improve the reliability of the whole service of three core 24-hour bus routes that link Manor Royal and Gatwick with Crawley town centre, Crawley's neighbourhoods, Three Bridges railway station, Horsham, Horley and Redhill.

Over 6 million journeys are made on these routes and we estimate that the on-time performance of these routes will increase as a result of the bus lane extension, encouraging further use of this sustainable means of travel. 26,300 hours of time currently wasted each year as a result of delays on the bus network will be saved supporting significant productivity benefits.

The addition of an enhanced cycle and walking route connecting from Gatwick Airport to Manor Royal and improvements to the proposed superhubs will allow us to deliver a concerted focus in diverting commuters from cars to more sustainable forms of transport. The Crawley Growth Programme strategy in developing cycling and walking schemes is to enable safe, direct and connected access to, from and between Manor Royal and to the Town Centre, Three Bridges Station and Gatwick airport for workforces, business and residents. The strategy aims to ensure links to key public transport facilities, supporting travel modes other than the car.

The delivery of sustainable transport infrastructure and highway upgrades will boost overall transport capacity and enable significant modal shift from car usage to cycling and walking alternatives.

The enhanced bus stops "Superhubs" will make it more comfortable, more connected and will significantly improve the attractiveness of bus travel as well as delivering improved facilities and wayfinding in Manor Royal, a need evidenced in the Manor Royal Economic Impact Study (Lichfields, Jan,2018) and Manor Royal Projects Pack (Allen Scott, 2018) . The additional funding as part of the Phase 3 proposals will allow the proposed Superhubs to be better integrated in the local environment, linking them with pocket parks and improving desire lines.

Importantly, support for this funding application would allow local partners to further collaborate to address and unblock issues that frustrate current occupiers. This is particularly the case in Manor Royal where over half of the occupiers surveyed identified real issues with parking and the over-use of cars. Poor facilities and weak public realm have also been identified as a weakness that this additional funding will help address.

The proposed improvements to sustainable transport modes will relieve pressure on the highway network and enable permission for additional homes and commercial space to be granted. Complementary public realm enhancements will also help create an improved sense of place, enhance available facilities and address criticisms levelled within Manor Royal, so making it more able to attract and retain business. This will have the corresponding effect of encouraging an upgrading, and increased occupancy, of existing commercial space thereby improving the ability for Manor Royal to compete with other business parks.

**1.4) Expected Total Project Cost and source of funding.** Please also complete the funding breakdown tab on the supporting spreadsheet. A Matched funding contribution of at least 50% is required (percentage of the total project costs). (Please name the source of match funding). **(Please name the source of match funding).**

	Amount	% of Total Cost
Total Project Cost	£45.16m	100%
Applicant own funds	£19.170m	42%
Other public funds	£5.4m	12%

Private sector funds	£3.95m	9%
Current LGF allocation	£14.64m	32%
Funding requested from Coast to Capital LEP*	£2m	4%

\*Funding requested from Coast to Capital must be more than £500,000 but cannot exceed £2,000,000.

Increased WSCC investment, supported by partner investment and developer contributions, in the Crawley Growth Programme results in the total LGF allocation to the programme being just 36%.

**All LGF allocated to the Crawley Growth Programme (£16.640m should this application be supported) will be expended prior to December 2021. We are confident that we can meet the timescales and conditions of this funding round.**

Supporting EOI spreadsheet is included as Appendix A.

### 1.5) Expected tangible core outputs/outcomes:

Please also complete the outputs tab of the supporting spreadsheet – add or delete where appropriate.

\*Applicants should add in outputs that link directly with the SEP priority they are applying for.

Output/outcome	Metric	Number to be delivered
Employment- created and/or safeguarded	No.	
Employment unlocked	No.	500
Businesses assisted- financial and non- financial	No.	
Skills- new apprentices	No.	
Skills – Training for high value skills	No.	
New housing unit completions	Units	
New housing unlocked	Units	250
New floor space constructed/Refurbished-	Sqm	
Commercial floor space unlocked	Sqm	15,000sqm
Carbon reduction	Tonnes of CO2	
Productivity increase		26,300 passenger hours saved through improvements in bus journey times
Reduction in carbon emissions		The modal shift from cars to the greater use of buses, walking and cycling and reduction in car journey times will see a significant reduction in CO2 emissions
Improved retention of existing business at Manor Royal		The investment will address concerns of existing occupiers at Manor Royal around both traffic congestion and lack of availability of car parking, by encouraging the use of other transport modes. It will also improve the wider public realm.

**1.6) Main risks and issues the project will need to manage?** Explain contingency plans to ensure full draw down of funding if ultimately awarded. **Please also submit a full risk register as an annex to this**

## document

The projects will be fully integrated into the wider Crawley Growth Programme. The main risks we are managing that affect the programme wide delivery are:

- There is a **risk of an economic downturn**, which may or may not be linked to Brexit over the next few years. This could lead to a marked slow-down in regeneration site development as investors defer action. The type of investments envisaged by the Growth Programme are in sustainable transport infrastructure and the business environment, which will constitute significant “structural” improvements to the quality and attractiveness of Crawley, including Manor Royal, as a place to invest and therefore will strengthen the realisation of Crawley’s economic growth potential. These investments to strengthen the business / living environment and sustainable transport infrastructure will transcend the economic cycle and will allow Crawley and key employment sites like Manor Royal to compete more effectively in the longer term to attract higher value businesses and jobs to the area. If the country were to go into recession, the investments provided by the growth programme will enable Manor Royal to be more resilient to the adverse consequences of the recession and to maximise in the longer term the opportunity to take advantage of the following upturn in the growth cycle and so achieve much greater levels of investment and more significant advances in GVA economic output, achieving higher value regeneration outcomes at the opportunity sites identified by the Growth programme.
- **Ongoing and further depreciation of the value of sterling** in the light of the Brexit process may have a detrimental impact on the costs of imported materials and therefore add pressures to the costs of delivery of the Crawley Growth programme. This will be mitigated by including an appropriate level of “optimism bias” for the cost assessment of each individual scheme.
- **The discontinuation of commitment of key stakeholders such as Network Rail and Gatwick Airport (GAL) to Crawley Growth programme schemes** – wider events at the national level may have an impact on the levels of commitment to the delivery of key Growth programme schemes on the part of stakeholders who are pivotal to scheme delivery – particularly Network Rail in regard to the Crawley and Three Bridges railway station improvements – and Gatwick Airport Ltd in regard to airport-rail-bus interchange improvements. Nearly £3m of local authority funding is in the process of being earmarked to fund improvements at Three Bridges station, including S106 and Community Infrastructure Levy resources, which will offset competing priorities for Network Rail CP6 resources. GAL have committed £2.8 million to deliver improvements to the inter-modal interchange at Gatwick railway station.
- **The requirement of achieving significant LGF spend year on year over the period 2017-21** – we understand that the set LGF profile agreed with government will require the Crawley Growth programme to spend a minimum of the above amount each year. This is a complex programme with many funding partners. Aligning funding profiles will be challenging. The development of the Crawley Growth programme as a combined multi-agency funded programme, linking up complementary regeneration schemes, which in terms of works delivery are spread out over the four years to 2021, will strengthen greatly the ability to defray the necessary minimum LGF funds per annum to allow claims to be made for the full LGF amounts on a year by year basis from 2017-18 through to 2020-2021.
- **Failure to maximise benefits of capital investment.** A significant proportion of the benefits of the capital investment rely on behavioural change, for example modal shift from commuting by car to bus transport or cycling. There is a risk that the benefits are not realised if commuters choose not to change their patterns of behaviour. We will continue to communicate clearly with commuters, businesses and residents about the investment that is taking place and also the potential health and wellbeing benefits of using alternative modes of transport.

The Programme Risk Register is included as Appendix B.

## 2. Strategic Case

### 2.1) Describe the compelling case for change.

Manor Royal Business District, Crawley attracts over 43,000 commuters every day –the highest volume

in any area in south east England outside London. Over 80% come in by car. One of the reasons why this level is so high is due to the inadequate inter-modal sustainable transport connections at Crawley's 3 railway stations (Crawley, Three Bridges, Gatwick) as well as the poor-quality urban environment, which is car dominated and extremely unfriendly to pedestrians and cyclists.

17% of the 30,000 employees in Manor Royal live within a 15-minute walk and yet just 5% walk to work. 50% of employees live within a 30-minute cycle ride and yet only 3% cycle to work.

The Manor Royal Business Improvement District Transport Study highlighted that of all the peak time traffic congestion, a staggering 40% of these cars were local people who live within a 4 minute walk of a Fastway Bus Stop which with buses up to every 6 minutes, 24 hours a day. There is a real opportunity to attract them out of cars, to relieve that congestion by travelling on the bus or other active travel modes. Furthermore evidence shows that parking is also in such short supply in Manor Royal, some employers are paying up to £1,200 per space in neighbouring car parks to provide spaces for their staff.

The large volume of cars has created major congestion bottle necks, particularly in Manor Royal and significant diesel engine pollution (Crawley Avenue and the Hazelwick roundabout is designated an "Air Quality Management Area"). An extensive Manor Royal Business Improvement District survey highlights that businesses consider congestion and a poor-quality business environment as being the most important issues impeding business and jobs growth in Manor Royal. Addressing this issue is also important in ensuring that the businesses currently within Manor Royal are retained and see it as an attractive location.

This is a major viability challenge for Manor Royal site developers who would like to achieve fully occupied brand new Grade A commercial space and high value business / jobs investment

Our existing Crawley Growth programme will implement infrastructure improvements and physical regeneration at the three railway stations (Three Bridges, Gatwick, Crawley) in order to enhance greatly rail user connectivity to the buses and to cycle and pedestrian routes. We will transform the public realm environment in order to enhance the quality and reliability of the commuter experience in transferring from rail onto buses and cycle / pedestrian routes to take them to work at Manor Royal or in Crawley Town Centre.

However, we feel there are further opportunities to improve the transport connectivity to and around Manor Royal and this phase 3 proposal will deliver further benefits and encourage commuters to use sustainable transport modes. It will also significantly improve the wider public realm in Manor Royal and improve the attractiveness of the area for businesses and employees, responding to surveys and research carried out by the Manor Royal Business Improvement District.

The Fastway Bus Rapid Transit system has delivered significant benefits and increased the use of buses across Crawley. However, there are currently delays to journey times on a key section of road in Manor Royal where there is no dedicated bus lane. This Phase 3 proposal aims to address this issue by creating an additional 500m of bus lanes on Manor Royal Road westbound and eastbound carriageways, reducing congestion and improving journey times. Every bus journey eases the traffic load on the roads and speeds up journey for others.

We also want to encourage walking and cycling between Gatwick Airport and Manor Royal. The more people choose to walk or cycle, the greater the benefits for everyone, regardless of whether or not they choose to walk or cycle. An increase in walking & cycling journeys contributes to reduced traffic congestion, better public health, a better environment, a stronger economy and a more pleasant place to live.

The continued focus on Manor Royal and investment in sustainable transport infrastructure will support the business environment, enhance existing prime employment locations and secure commercial development and additional jobs /GVA on available regeneration sites. The importance of unlocking commercial space and jobs in Manor Royal to help "boost employment rates in Crawley" is emphasised in the Strategic Economic Plan. It is also important to retain existing businesses and we believe this



investment is important in showing we are responding to existing business feedback.

## **2.2) Investment Objectives- detail the specific objectives to achieve the anticipated outcomes.**

- Improve the attractiveness of Manor Royal Business District – facilitating site regeneration for commercial space and increasing the number of jobs.
- Improve transport connectivity, reduce traffic and allow for greater utilisation of commercial space due to a reduced reliance on car parking.
- Improve the sustainability of transport in the area, improving the commuter experience and allowing significantly more commuters to use sustainable transport to access the Manor Royal business district.
- Continued improvements to bus route infrastructure connecting Manor Royal to the main transport infrastructure.
- Improve health and wellbeing through the greater use of cycling and walking as a means of commuting.

## **2.3) Stakeholder Engagement carried out.**

Detailed and extensive informal consultation has been undertaken with a range of local business representatives, transport providers, community sector and public service providers to inform the development of the Growth Programme overall, and the prioritisation of the additional proposals in Phase 3.

This consultation process has taken the form of private discussions to review initial design options, advice on the development of more detailed concept designs and to identify preferred design options. These discussions have also informed the calculation of cost estimates for the delivery of Growth programme schemes and the identification of match funding sources. They have played a key role in drawing up an outline works delivery schedule and timescale. The informal consultation with stakeholders is ongoing and not just restricted to one or two meetings.

Stakeholders are playing a key role in the shaping of the Crawley Growth programme schemes. They continue to participate in the governance and oversight of growth programme delivery (see section 6 on our approach to programme management). Stakeholders also actively participate as applicable in the development and delivery of individual Growth programme schemes. For example, Metrobus is a key partner in the scheme to upgrade of Crawley bus station and the Manor Royal Business Improvement District is a key partner in all improvements across Manor Royal.

The Manor Royal programme of improvements has drawn on the findings of the Transport Study and Action Plan produced by consultants on behalf of the Manor Royal Business Improvement District. This has been overseen by a Working Group comprising business stakeholders from the Manor Royal area. 512 businesses on Manor Royal are levy paying members of the Manor Royal Business Improvement District and 30% responded to the corresponding survey, which informed the Transport Study and Action Plan. The Manor Royal Business Improvement District arranged a series of events to present to local businesses the Transport Study Action Plan and to consult on the priority actions – a number of these schemes are incorporated into the Crawley Growth Programme.

This proposal has widespread local support from key stakeholders. Letters of support are included in Appendix C.

Crawley Borough Council is a key partner in the delivery of these projects. They have confirmed their support in the enclosed letter which says:

*“Manor Royal is a major employment centre for both Crawley and the surrounding area, with the focus for this phase firmly on sustainable transport measures, it is hoped that more and more commuters will leave their cars at home and make the switch, helping to achieve net zero emissions by 2050.*

*On a local level the extension to the bus lane will see a reduction in overall congestion and improved bus journey times, with the Superhubs enhancing the overall experience of traveling by public transport. Developing safe and connected cycling and walking infrastructure will make people feel more confident travelling to work by bike or foot, they will also promote a healthier lifestyle, not just for the daily*

*commute but it will also encourage people to make more of their lunchtime.”*

Manor Royal Business Improvement District has provided a letter of support for this application. In this letter they say:

*“... we cannot be complacent about Manor Royal’s position. The evidence of the Manor Royal Economic Impact Study (Lichfields, 2018), the Manor Royal Transport Study (SDG, 2017) and surveys conducted by the BID of existing Manor Royal businesses makes the case for action in a number of areas with further improvement to facilities, public realm and action on transport required.*

*There is much to do. We can only achieve the changes we need by working together and demonstrating a collective single-mindedness to that end or risk the erosion of confidence in Manor Royal for new as well as existing businesses. While there is more to be done than the Crawley Growth Programme alone can deliver it does, nonetheless, represent the best opportunity to take a significant step on our journey towards an improved place to work and trade.*

*For these reasons we are highly supportive of extending the Crawley Growth Programme to deliver these much needed improvements.”*

Gatwick Airport has provided two letters of support for the Crawley Growth Programme Phase 3 proposals – one supporting the bus lane and another supporting the cycling proposals. These highlight the importance of effective bus networks to Gatwick, with other 40% of their staff travelling to work by bus. On cycling they say:

*“...there are still improvements that can be made to upgrade and expand cycle access between Gatwick and Crawley, specifically Manor Royal, which is home to many airport-related businesses. We hope that better infrastructure and safe cycle routes will encourage more airport staff living locally to feel confident in travelling to work by bike.”*

Metrobus has provided a letter of support. Their letter says:

*“The additional improvement of bus priority measures provided by the proposed Manor Royal Bus Lane extension will greatly improve reliability of the hundreds of daily bus departures from across Manor Royal and Gatwick Airport with four 24 hour routes, used by over 30% of the local airport family workforce to get to work. A staggering 3 million local bus journeys are made to and from the airport alone every year. This has increased by 28% over the past 3 years with further strong growth this year.*

*The sharply increasing traffic congestion in Manor Royal, a chronic shortage of available parking spaces and much more now known about the impact of this on public health, as 40% of that congestion is caused by local people who live within a four minute walk of our world class Fastway bus services, now really is the time to capitalise on the original bid by unlocking further benefits.*

*We believe initiatives like further enhancements to the Superhub program, the more comprehensive MaaS (Mobility as a Service) solution which now has further matched investment of £1m over the first five years from our parent company, Go Ahead in addition to the £100,000 contributed from the original Growth Fund bid along with the extension of the cycling infrastructure, many more, healthy active travel journeys by bicycle will also become possible, thereby boosting sustainability across the board.”*

#### **2.4) List the key stakeholders and their interest areas.**

The following list of stakeholders relate to the Crawley Growth Programme as a whole. Key partners in the projects proposed as part of Crawley Growth Programme Phase 3 are Crawley Borough Council, Manor Royal Business Improvement District, Metrobus and Gatwick Airport Ltd. (highlighted below). Letters of support are included from these key stakeholders in Appendix C.

Stakeholder	Interest area
Manor Royal Business Improvement District	Sustainable transport, public realm and cyclist / pedestrian thoroughfare infrastructure improvements across Manor Royal
Gatwick Airport Limited	Bus and rail interchange improvements.
Standard Life (County Mall)	Public realm / sustainable transport infrastructure enhancements between County Mall and Station Gateway
Arora Group	Transformation of Crawley railway station; Public realm / sustainable transport infrastructure enhancements between County Mall and Station Gateway
Crawley Cycle Forum	Priority Cycle route improvement schemes in Manor Royal, Town Centre and the interconnections
Metrobus	Bus services to and around Crawley and Manor Royal. Improvement of bus station.
GTR Southern Rail	Public realm enhancements and intermodal interchange improvements at Gatwick, Crawley and Three Bridges railway stations.
Gatwick Diamond Business	Capital investment interventions that facilitate business and sustainable commuting access to and from Crawley / Manor Royal and which stimulate new jobs, business and commercial space growth
Appropriate residents' Forums	Living environment, sustainable transport and public realm improvements at key locations to improve quality of life.
Central Sussex College	Public realm and sustainable transport infrastructure improvements, which integrate Central Sussex College more closely with the town centre core (particularly enhanced pedestrian and cyclist connectivity) and other key opportunity sites such as County Buildings and Town Hall.
Town Centre Partnership Board	Public realm, sustainable transport and highways improvements in the town centre, alongside enhanced pedestrian / cyclist connectivity and the successful unlocking of new jobs and homes, which boost town centre footfall, business activity and trade
High Street Business Forum	Harnessing the physical regeneration of the town centre to drive increases in footfall and therefore trading levels in the High Street whilst unlocking business and living environment improvements.
Town Centre Professional Business Services Forum	An enhanced business environment, that can facilitate their business growth and make it easier for them to recruit talented people, grow job numbers and increase the numbers of employees that live and work in Crawley.
Network Rail	Public realm enhancements and intermodal interchange improvements at Gatwick, Crawley and Three Bridges railway stations to help boost passenger volumes. A transformed railway station in Crawley town centre.

## 2.5) What are the strategic issues, risks and constraints that may impact successful delivery of the project?

- There is a **risk of an economic downturn**, which may or may not be linked to Brexit over the next few years. This could lead to a marked slow-down in regeneration site development as investors defer action. The type of investments envisaged by the Growth Programme are in sustainable transport infrastructure and the business environment, which will constitute significant “structural” improvements to the quality and attractiveness of Crawley as a place to invest and therefore will strengthen the realisation of Crawley’s economic growth potential.

These investments to strengthen the business / living environment and sustainable transport infrastructure will transcend the economic cycle and will allow Crawley and key employment sites like Manor Royal to compete more effectively in the longer term to attract higher value businesses and jobs to the area. If the country were to go into recession, the investments provided by the growth programme will enable Manor Royal to be more resilient to the adverse consequences of the recession and to maximise in the longer term the opportunity to take advantage of the following upturn in the growth cycle and so achieve much greater levels of investment and more significant advances in GVA economic output, achieving higher value regeneration outcomes at the opportunity sites identified by the Growth programme.

- **Ongoing and further depreciation of the value of sterling** in the light of the Brexit process may have a detrimental impact on the costs of imported materials and therefore add pressures to the costs of delivery of the Crawley Growth programme. This will be mitigated by including an appropriate level of “optimism bias” for the cost assessment of each individual scheme.
- **The discontinuation of commitment of key stakeholders such as Network Rail and Gatwick Airport (GAL) to Crawley Growth programme schemes** – wider events at the national level may have an impact on the levels of commitment to the delivery of key Growth programme schemes on the part of stakeholders who are pivotal to scheme delivery – particularly Network Rail in regard to the Crawley and Three Bridges railway station improvements – and Gatwick Airport Ltd in regard to airport-rail-bus interchange improvements. Nearly £3m of local authority funding is in the process of being earmarked to fund improvements at Three Bridges station, including S106 and Community Infrastructure Levy resources, which will offset competing priorities for Network Rail CP6 resources. GAL have committed £2.8 million to deliver improvements to the inter-modal interchange at Gatwick railway station.
- **The requirement of achieving significant LGF spend year on year over the period 2017-21** – we understand that the set LGF profile agreed with government will require the Crawley Growth programme to spend a minimum of the above amount each year. This is a complex programme with many funding partners. Aligning funding profiles will be challenging. The development of the Crawley Growth programme as a combined multi-agency funded programme, linking up complementary regeneration schemes, which in terms of works delivery are spread out over the four years to 2021, will strengthen greatly the ability to defray the necessary minimum LGF funds per annum to allow claims to be made for the full LGF amounts on a year by year basis from 2017-18 through to 2020-2021.
- **Failure to maximise benefits of capital investment.** A significant proportion of the benefits of the capital investment rely on behavioural change, for example modal shift from commuting by car to bus transport or cycling. There is a risk that the benefits are not realised if commuters choose not to change their patterns of behaviour. We will continue to communicate clearly with commuters, businesses and residents about the investment that is taking place and also the potential health and wellbeing benefits of using alternative modes of transport.

## 2.6) Project Dependencies

The deliver of the Phase 3 projects will deliver significant benefits, but these will only be fully delivered if the linked wider projects in the Crawley Growth Programme are successfully delivered.

We are on track to deliver the projects outlined in our original business case and will continue to track progress as part of our programme management arrangements set out in Section 6.

## 2.7) Project disruption

The Programme is managed by West Sussex County Council and Crawley Borough Council, who have established a Growth programme delivery team to ensure that works are scheduled in a co-ordinated and strategic way to minimise disruption, reporting to the Crawley Growth Board. We also report to the Local Economy Action Group, comprising key stakeholders, business and community representatives on a quarterly basis. We also work closely with the Manor Royal Business Improvement District to engage with its members.

Highways and sustainable transport infrastructure works are planned strategically to ensure that we

avoid programmes of works that would affect major routes being implemented at the same time. Mitigating actions, including traffic diversions are put in place.

We ensure effective communication to residents, commuters, businesses and stakeholder so that they are aware of the nature of the works and the likely disruption,

### 3. The Economic Case

3.1) Please describe the options that have been considered in selecting the project proposal, completing both box 1 and 2.

#### Crawley Growth Programme Phase 3

Option Name:	Description:	Total cost:	Amount requested:	Core outputs (see 1.6)
<b>Do nothing, minimum or status quo</b>	The delivery of the existing Crawley Growth Programme without the additional	£40.8m	£14.64m (already agreed through existing funding agreement)	1,000 new homes by 2030 135,000sqm of new Grade A commercial space within Crawley by 2030
<b>Proposed option</b>	<p>Inclusion of Crawley Growth Programme Phase 3 proposals to improve transport connectivity in Manor Royal including:</p> <ul style="list-style-type: none"> <li>- Bus lane extension to alleviate traffic issues, reduce journey times and improve reliability of service</li> <li>- Walking and cycling route between Manor Royal and Gatwick Airport</li> <li>- Further enhancement of the proposed "Superhubs" to allow them to be better linked to proposed pocket parks and have better desire lines.</li> </ul>	£45.16m	£16.64m (£2m additional funding from this round of funding)	<p>As above, but in addition:</p> <p>Unlocking of an additional 15,000sqm of commercial space</p> <p>Unlocking of 250 new homes</p> <p>Saving of 26,300 passenger hours, leading to a whole lifetime saving benefit in excess of £5m at current prices.</p> <p>Reductions in CO2 emissions through modal shift</p> <p>Responding to known structural weaknesses</p> <p>Assisting the retention and satisfaction of over 600 business and 30,000 employees</p>

<b>Alternative options:</b>	Inclusion of reduced Crawley Growth Programme Phase 3 proposals to improve transport connectivity to Manor Royal including: <ul style="list-style-type: none"> <li>- Bus lane extension on reduced length of Manor Royal only</li> <li>- Delivery of Walking and Cycling Route – delivering partial initial route from Gatwick Airport</li> <li>- Minor improvement to the superhubs</li> </ul>	£43.2m	£15.84m (£1.2m additional funding from this round of funding)	As per do minimum plus: <p>Unlocking of est. 5,000sqm of commercial floor space.</p> <p>Unlocking of est. 100 new homes.</p> <p>Saving of 13,300 passenger hours (as the dedicated bus lane would only run in a single direction through the affected area under this option)</p>
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**Box 2:**

<b>Option Name:</b>	<b>Advantages:</b>	<b>Disadvantages:</b>
<b>Do nothing, minimum or status quo</b>	No increased cost to the public purse in short to medium term	Failure to maximise benefits from the Fastway bus scheme due to congestion in to Manor Royal. Failure to maximise opportunities for modal shift and to enhance attractiveness and sustainability of Manor Royal.  More difficult for Manor Royal to compete with rival business parks for retention and attraction.
<b>Proposed option</b>	Opportunity to inject further momentum in to the transport improvements at Manor Royal, ensuring a modal shift from	Temporary disruption to Manor Royal while bus lane is created.
<b>Alternative options:</b>	Achievement of some benefits of modal shift from cars to buses, walking and cycling	Failure to maximise the potential benefits of modal shift and continued congestion one way in Manor Royal link to the Fastway bus scheme.

**3.2) The preferred option**

## **Manor Royal Bus Lane extension**

The preferred option will provide a bus lane along Manor Royal Road westbound in addition to the proposed eastbound bus lane between the A23 London Road / Manor Royal junction to the Faraday Road / Manor Royal junction – a distance of approximately 530 metres.. The road will be widened by 3.5m on the southern side of Manor Royal and 1.5m on the northern side, making use of the available verge. This will allow for dedicated bus lane that will improve bus journey times – saving 26,300 passenger hours.

The preferred option will build on the success of the Fastway Bus Rapid Transit system, completed in 2005, has resulted in a doubling of bus use taking millions of car movements off the road. However, bus performance and reliability is impacted by one key section of road without bus priority. The existing Crawley Growth Programme provides for a new section of bus lane to be delivered in 2020. Additional investment will enable a 500m extension to the new lane removing up to 17 buses per hour from the congestion.

A feasibility drawing of the proposed route is included as Appendix D.

## **Walking and Cycling Route MR-B – Manor Royal to Gatwick Airport Station**

This route links Manor Royal Business District to Gatwick Airport which is both a transport hub and an employment centre in its own right. It runs through the City Place and alongside the desire line of the heavily trafficked Gatwick Road, which has a number of complex junctions and large roundabouts along its length.

The route is being designed to a high quality in order to enable more people to choose to travel by bike. It will be safe, direct and coherent with dedicated space for cycling and priority crossings of side roads for people walking and on bikes.

Key features:

- Where road widths permit, the route will run on carriageway as a segregated route with 2m wide cycle tracks, where there is not enough space on carriageway, there is an off-carriageway route with priority crossings at side roads and entrances
- At roundabouts, toucan crossings will be improved to allow comfortable cycle crossing on the desire line
- The section that runs through Beehive Ring Road will be on carriageway with improved signage, followed by improvement of clarity and safety of route through the Colas side leading to the 'greenway' link to Gatwick Airport

Currently only 2% of airport staff regularly commute to work by bike, Gatwick Airport are committed to increasing this figure and believe that creating a safer and better-connected cycle network will help them achieve this goal.

## **Superhubs**

The intention is to deliver a number of 'super' bus shelters at key locations in Manor Royal to enhance the passenger experience and give them access to a more attractive bus service, encouraging modal shift. These are known as bus shelter "Superhubs". A Superhub is a bus stop that goes further than what a standard bus stop provides. It is an important piece of public realm and infrastructure for Crawley's community and visitors. It's not just about the provision of a bus shelter for current public transport users. It is more about attracting new users by creating welcoming and comfortable places for people travelling to and from key destinations across the borough.

The Superhub in Crawley will be multifunctional and visually quite different from a standard bus stop. The intent is partly to help shift the perception some people have on sustainable travel modes across the borough by making bus stop locations more attractive, more appealing, and more like a 'great' public space than just a space to wait for a bus.

### Key Features of the Superhub:

- Provide shelter from the wind, rain and sun
- Be comfortable for people to use
- Feel safe, look clean and tidy
- Be well positioned and connected to its context
  
- Improve available facilities, public realm and wayfinding
- Incorporate technologies if appropriate to the location
- Showcase green/ environmental benefits
- Be fun, stimulating and multifunctional
- Look distinctive and eye catching

The existing Crawley Growth Programme has a project to deliver the Superhubs as shelters. The additional funding to enhance the proposed Superhubs will allow them to be better nested in their local landscape with links to 'pocket parks' and better desire lines.

### **3.3) Issues with preferred option.**

There are no significant issues to be resolved prior to the progression of the projects set out in the preferred option.

Feasibility studies are in place for the Manor Royal bus lane extension and the MR-B walking and cycling route. The project teams have a track record of delivering similar schemes through the existing Crawley Growth Programme.

Market testing is taking place with potential partner/providers for the Superhubs and following completion of this exercise the projects will be ready to proceed, subject to the agreement of the funding set out in this case.

The Manor Royal Business Improvement District is also engaged in complementary work to create a connected network of micro-parks that integrates with Superhub areas and conforms with the strategic vision for improving Manor Royal as described by the Manor Royal Business Improvement District Business Plan (2018-23), the Manor Royal Projects Pack as well as complementary planning policies of Crawley Borough Council.

### **3.4) What are the top 5 risks of this option?**

Key risks across the Crawley Growth Programme are:

- Alignment of resources across a number of partners and the responsibilities for delivery of individual schemes within the Growth programme is likely to be split. At the same time the lead partner (WSCC) will minimise the resulting risk by ensuring accountability for the whole programme and will take steps to share accountability when other partners are responsible for delivery of particular schemes – this is achieved and the risk minimised by formal arrangements being developed with key partners.
- Procurement and delivery – this is a significant programme and the development and delivery of proposals will require significant effort and staff resource – this risk is minimised through the



involvement of a number of partners who will take responsibility for the delivery of individual projects and share the work load of programme management by together decentralising the project management of individual schemes with clear reporting lines back through to the Crawley Growth Programme delivery Steering Group. Procurement processes will be implemented in accordance with the established policies of the individual partner organisations responsible for contracting the delivery of a scheme. Public / EU procurement rules will be followed and close working with the procurement teams across each authority will ensure that is achieved.

- Budget overspends – each individual regeneration scheme or cluster of schemes which feature as part of the Crawley Growth programme will be carefully costed by design experts and in conjunction with authority finance officers and all cost estimates will comprise an “optimism bias” in order to factor in contingencies. There will be regular finance monitoring as part of the quarterly claim reporting process and budget pressures will be identified early and remedial action defined and implemented.
- Growth programme scheme delivery time overruns – each individual regeneration scheme will adhere to a strict project delivery schedule and plan - mapped out in accordance with RIBA stage standards. Individual projects will comprise project sponsors at a more senior level and designated project leads, who will report on progress to a Programme Delivery Team on a monthly basis. This regular monitoring of the progress will ensure remedial action is identified early and the risk of overruns minimised. The works and services procurement processes will be carefully and diligently implemented to maximise the quality of contracted out work.
- There is a risk of an economic downturn, which may or may not be linked to Brexit over the next few years. This could lead to a marked slow down in regeneration site development as investors defer action. The type of investments envisaged by the Crawley Growth programme are in sustainable transport infrastructure, enhancing the public realm and inter-modal connectivity at Crawley’s 3 railway stations and improving the business / living environment, which will constitute significant “structural” improvements to the quality and attractiveness of Crawley as a place to invest and therefore Crawley’s economic growth potential. These investments will transcend the economic cycle and will allow Crawley and key employment sites like Manor Royal to compete more effectively in the longer term to attract higher value business environment. If the country were to go into recession, the investments provided by the growth Programme will enable Manor Royal businesses to be more resilient to recession and for Manor Royal and Crawley Town centre to maximise the opportunity to take advantage of the following upturn in the growth cycle and so achieve much greater levels of investments and more significant advances in GVA economic output.

**Please complete the boxes below, answering only those relevant for the theme of your project, referring to the guidance available. Please also complete the outputs tab of the supporting excel spreadsheet.**

### **3.5) Economic impact**

Crawley has an excellent track record in delivering growth in employment and economic output but is faced with clear and present threats to ongoing sustainable growth due to growing traffic congestion, a deteriorating business / living environment and inadequate sustainable transport infrastructure and connectivity.

Our Crawley Growth programme will implement infrastructure and regeneration schemes to tackle the above threats and help create the conditions which unlock significant growth in homes, commercial space and jobs on key regeneration sites across Manor Royal and Crawley Town Centre.

The Crawley Growth programme will invest in major public realm, pedestrian and cycle route improvements in the town centre as well as a transformed Crawley railway station and an upgraded bus station to transform the living / business environment and strengthen greatly sustainable transport connectivity between the town centre’s core and its regeneration sites. These investments are crucial to the viability of the town centre’s regeneration opportunity sites – Station Gateway, Telford Place, County Buildings and the Town Hall – and will unlock 225,000 square feet of Grade A commercial space

(21,000 square metres) and 1,500 jobs.

This additional phase of investment will unlock the use of a further 15,000 m<sup>2</sup> of commercial space, securing 500 new jobs, improving the attractiveness of local housing schemes (unlocking a further 250 homes) and also delivering a significant saving in journey times and CO<sub>2</sub> emissions.

The economic case for investment is also supported by the Economic Impact Study (2018) conducted by Lichfields consultancy. This served as an update to the original Manor Royal Masterplan (GVA Grimley, 2010) and specifically references the importance of further public realm and “place shaping” actions and addressing actions raised by the Transport Study.

% Based on Department for Transport figures for value of time saved, this could deliver a whole life benefit of over £5m at current prices (30 year period, discounted. Based on TAG value of working time rates).

### **3.6) Environmental Impact**

There will be a positive environmental impact from modal shift from the use of cars to zero carbon buses, walking and cycling. This will lead to a significant reduction in CO<sub>2</sub> emissions and improved air quality in the Manor Royal area.

### **3.7) Social Impact**

A transport study analysis undertaken for the Manor Royal Business Improvement District at the end of last year has revealed that 17% of Manor Royal employees live within a 15 minute walk of their work, however just 5% of employees walk into work. At the same time just 3% of employees cycle to work whilst 50% of all employees live within a 30 minute cycle ride.

As well as achieving modal shift this investment will encourage more active travel behaviour and support employee mental and physical health, wellbeing and productivity.

The Crawley Growth programme investment in cycle and pedestrian walkway enhancements in Manor Royal alongside upgrades to bus infrastructure will have the effect of changing commuting habits and modal shift away from the car. This will boost healthy living lifestyles by encouraging more exercise through active walking / cycling into work.

### **3.8) The number of people and businesses positively impacted by the intervention?**

30,000 people and over 600 businesses are currently located in Manor Royal and will benefit from the improvements in transport connectivity at Manor Royal.

### **3.9) Follow on Investment**

The Crawley Growth Programme as a whole will support private sector investment likely to exceed £750M. This represents the value of investment to be achieved by the mixed-use regeneration of the following sites and the achievement of 7,000 jobs, 1,000 new homes and 135,000 square metres of new commercial space at the following regeneration sites across Crawley Town Centre and Manor Royal:

- Station Gateway
- Town Hall site
- County buildings site
- Telford Place site
- Crawley college
- Nexus Parcel 1
- Nexus Parcel 2
- Nexus Parcel 3
- Northwood Park
- Churchill Court - Phase 1
- Churchill Court – Phase 2
- Churchill Court Phase 3

- Nova
- Former GSK site Former BOC Edwards site, Faraday Road
- Land at Jersey Farm
- Land at Crompton Way
- Elekta, London Road
- Forge Wood business centre

The Programme combines investment plans across a number of partners over the next 5 years.

**3.10) Skills projects only- Impact on Skills Provision**

n/a

**3.11) Business and enterprise projects only- Impact on business growth**

n/a

**3.12) Infrastructure and Regeneration and Housing projects only- Physical and aesthetical impact- Does the project make a positive and lasting contribution to the physical, human and cultural environment?**

A key element of Crawley Growth Programme is the delivery of public realm and infrastructure improvements that will support a strong and diverse economy in the long term. The Phase 3 proposals will support a significant improvement in the environment both through design proposals which deliver quality and the end outcomes promoting a healthier environment with improved air quality.

The Superhubs are designed to improve the experience of commuting and the additional funding requested in this case will enable them to be better connected to the surrounding physical environment.

**3.13) If your project results in service and other improvements then please provide baseline data below.**

Metric	Baseline		What the intervention will achieve	
	Figure	Year	Figure	By when

**4. The Commercial Case**

**4.1) Please provide details of your envisaged procurement route.**

West Sussex County Council will lead the procurement of the extension to the bus-lane. This will be delivered through the Council’s existing highways framework.

Crawley Borough Council will lead on the delivery of the walking and cycling route MR-B from Gatwick to Manor Royal. This will be delivered in line with the Council’s procurement arrangements.

Crawley Borough Council will also deliver the Superhubs. Conversations with potential providers to test the market are on-going and following the completion of these discussions a procurement route will be determined. The procurement route will be in line with Crawley Borough Council’s procurement arrangements. Manor Royal Business Improvement District is working with Crawley Borough Council to align a series of complementary micro-park spaces to ensure the wider improvement of the public realm in Manor Royal.

**4.2) Involvement of private development partners.**

Metrobus is a key partner and they continue to make a significant investment in improving bus services in,

**and around, Crawley.** They are planning on investing in 20 new fuel cell electric buses which will be in service by late 2020. This means the Fastway 10 and 20 routes will move to zero emissions, leading to a significant increase in air quality. The 20 zero emission buses represent an £11m investment by Metrobus with contributions from the EU through their Jive Project of £2.9m, funding from the UK Govt through their recent Ultra Low Emission Bus funding round of £4.3m. Gatwick Airport has made a £250k contribution towards the hydrogen refuelling infrastructure which can in turn be made available to contractors at the airport as they seek to migrate fleet to fuel cell tech in the future.

The investment in Phase 3 of the Crawley Growth Programme is designed to encourage a shift to the use of these buses, from cars, and help maximise the benefits of Metrobus' significant investment in its fleet. Metrobus have been closely involved with the development of these proposals and are supportive.

**Manor Royal Business Improvement District is a key partner and they have invested over £3m in levy during BID2 and are supporting further investment in Manor Royal in BID3.** They are working to secure funding from other sources, including Arts Council funding for the proposed micro parks. They play a vital role in ensuring the continued attractiveness of Manor Royal to both existing and new businesses and their work on understanding the current barriers to investment has been a key driver behind these proposals.

#### **4.3) Procurement plan and timescales.**

An initial feasibility for the Manor Royal Bus Lane extension has been completed. Works will be progressed in line with our standard approach for highways works. This will involve consultation with utilities providers and obtaining quotes from them for services diversions – but there is standard 28 day timescale for these processes. The delivery of highways works does not require planning permission unless there is an adverse environmental impact. We do not believe there is an adverse impact as a result of this scheme.

Detailed procurement plans will be developed for the MR-B walking and cycling route and the delivery of the Superhubs. Existing term contractor arrangements are in place to support the walking and cycling route. Delivery route for the Superhubs will be confirmed following the completion of market testing, which is currently taking place.

We are confident that the LGF funded project spend can be delivered before December 2020, with Crawley Growth Programme investment continuing from the Council in 2021 and beyond. All benefits will be delivered by 2025.

#### **4.4) How will the project contribute towards social value?**

Social value benefits will be a key criterion as public procurement progresses across the Crawley Growth programme and it will be linked to our overall programme outcomes. The Crawley Growth programme will contribute hugely towards social value to Crawley's economy and community and to the broader economic growth, homes and job creation to benefit the Coast to Capital area as a whole.

By transforming the business environment and greatly improving transport capacity in Manor Royal our programme will enable the development of 101,877 square metres (over 1 million square feet) of new commercial space on 12 key regeneration sites across Manor Royal by 2030, which will yield over 5,000 additional jobs.

The benefits delivered will allow Crawley's economy to continue to grow sustainably and to generate significant numbers of new homes, jobs and additional economic output, which will hugely benefit local residents and enable them access to high quality 21<sup>st</sup> century transport and public realm infrastructure as well as an array of exciting job opportunities.

#### **4.5) State Aid Compliance.**

The projects in Crawley Growth Programme Phase 3 are State Aid compliant because there is no funding direct to economic operators. The funding will be used by public authorities to improve transport infrastructure in line with their established powers. The projects will be delivered in compliance with the Public Contracts Regulations 2015.

A letter from a practising solicitor in West Sussex County Council's legal department is enclosed in Appendix E. This confirms our view the bid is state aid compliant.

## 5. The Financial Case

**5.1) what is the estimated total project cost and the amount of LGF being applied for? Please complete the funding breakdown tab in the supporting excel spreadsheet.**

A decision to add Crawley Growth Programme Phase 3 to the overall programme of work would increase the total investment planned in the programme to £45.16m.

The current costs of the proposed projects are:

Further extension of the bus lane to create a full length bus lane along Manor Royal road - **£2.25m**

Creation of MR-B Walking and Cycling Route - **£1.5m**

Superhubs - **£0.85m**

The table below sets out the remaining drawdown of LGF (including this proposal) and the matched funding contribution. As LGF funded projects were delivered prior to 19/20 and West Sussex County Council, Crawley Borough Council and partners will continue to make investments in 2021 onwards, this figure is a partial snapshot of the whole £45.16m planned investment programme. This includes the wider previously agreed investment as we intend to continue to manage the projects as a programme.

LGF financial year starts from 1<sup>st</sup> April – 31<sup>st</sup> March (Q1 would therefore be April-June). **No rounding up.**

Quarter	Matched Funding Contribution	LGF
19/20 – Q1	£1,287,127	£544,750
19/20 – Q2	£1,287,127	£544,750
19/20 – Q3	£1,287,127	£544,750
19/20 – Q4	£1,287,127	£544,750
20/21 – Q1	£4,075,488	£915,000
20/21 – Q2	£4,075,488	£915,000
20/21 – Q3	£4,075,488	£915,000
<b>Total</b>	<b>£13,303,559</b>	<b>£4,924,000</b>

**5.2) Please set out the project expenditure items – No rounding up.**

See section 5.1 above

### 5.3) Net Present Value cash flow analysis.

A full Net Present Value cash flow analysis has not been carried out on these projects.

However, we are positive that the projects deliver a net benefit. The journey time savings resulting from the bus lane extension deliver an over £5m whole life benefit at current prices (30-year period, discounted. Based on TAG value of working time rates). This benefit alone ensures that the project would have a positive NPV. Previous evaluations of the benefits of bus infrastructure improvements in Crawley identified a Benefit Cost Ratio of 6:1 (An Economic Evaluation of Local Bus Infrastructure Schemes – KPMG – 2015)

This is before we account for the benefits arising from modal shift which are likely to be significant. The walking and cycling routes and the Superhubs will also deliver significant benefits through reducing reliance on cars and improving health outcomes for commuters.

The 500 jobs that are unlocked in Manor Royal as a result of the Phase 3 investment delivers a benefit of increased economic output of £28.6m (500 jobs @ £57,200 per job as per existing Crawley Growth Programme business case).

The original economic assessment for the Crawley Growth Programme examined similar projects infrastructure benefit and found a positive NPV of £18.367m

#### **5.4) Value for money**

Investment in Crawley provides a real opportunity to secure economic benefit. Crawley has the highest level of labour productivity across the Coast to Capital area.

Traffic surveys and modelling has identified that enhancements to sustainable travel will create capacity on the highway network that can support the delivery of additional housing and commercial space through the planning process. In addition sustainable travel improvements also encourage an upgrading, and increased occupancy, of existing commercial space – the economic value to be achieved by enabling full occupancy of around 100,000sqm of existing unoccupied commercial space in Manor Royal is significant – 4,000 – 5,000 jobs and around £175m - £220m of economic benefit. This additional investment will help secure this benefit.

The additional investment sought would support the momentum already generated by the current contractual commitment to deliver 1,000 new homes and 135,000sqm additional commercial floorspace. In addition this new investment would help to safeguard existing occupiers and employees jobs.

The additional LGF funding requested in this application, complementing additional investment from other partners, supports an increase in the contractual commitment to deliver additional homes to 1,250. To ensure that the transformational context of this is understood there were 219 homes in Crawley Town Centre in 2014. The increased contractual commitment proposed represents an increase of almost seven times the 2014 housing number and a 50% increase in the allocation identified in the Local Plan.

The additional LGF also supports a 15,000sqm increase in the contractual commitment to delivering additional occupied commercial floorspace. This broadly equates to an additional 500 jobs and over £28m of economic benefit.

The increased outcome commitments identified represent significant economic return for the £2m investment requested.

Studies demonstrate that reducing bus journey times increase bus use (The Impact of Congestion on Bus Passengers – Professor David Begg) - the proposals identified in this bid could generate 180,000 additional bus journeys per year. Previous evaluation of the benefits of bus infrastructure improvements in Crawley identified a Benefit Cost Ratio of 6:1 (An Economic Evaluation of Local Bus Infrastructure Schemes – KPMG – 2015)

26,300 hours of time currently wasted each year as a result of delays on the bus network will be saved supporting significant productivity benefits. Based on Department for Transport figures for value of time saved, this could deliver a whole life benefit of over £5m at current prices (30 year period, discounted. Based on TAG value of working time rates).

### 5.5) VAT status

The VAT status of West Sussex County Council, the lead delivery body is that they can recover 100% of VAT from direct contract expenditure since they have the status of a local authority. The same applies to Crawley Borough Council. The private sector partners listed above will not be able to recover VAT.

### 5.6) Financial Sustainability

This programme partnership will take full account of the management of maintenance costs going forward and this will be clarified and agreed in the forthcoming partnership agreement, which will be signed off by partners.

## 6. The Management Case

6.1) In which financial year do you expect your project to commence?	2019/20
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6.2) In which financial year do you expect your project to complete?	2020/21
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6.3) Please set out the key milestones related to the project. Please include planning permissions, funding secured, PR and events.

The projects will be delivered as part of the wider Crawley Growth Programme.

All LGF funds will be spent by December 2020, with all programme benefits and projects delivered by 2025.

As an overall indication of the timescales for this phase (phase 3) feasibility and procurement work will take place in late 2019 and early 2020, with construction commencing in 2020.

### 6.4) Project management arrangements

The delivery arrangements for Crawley Growth Programme Phase 3 will be included within the overall programme management arrangements for the existing Crawley Growth Programme.

West Sussex County Council, as lead partner, undertakes the management and co-ordination of the Crawley Growth programme. This involves the overall co-ordination of schemes across the programme and close monitoring of the programme delivery schedule, the overall budget / finance management of the programme, the compilation of quarterly progress reports for the LEP and the staging and servicing of the Crawley Growth programme delivery team, which meets monthly, The Crawley growth board which meets monthly and the LEAG, which acts as a Steering Group and meets every three months.

The programme delivery schedule is sub-divided into specific schemes, each of which will have delivery schedules with clear timelines, milestones and deliverables mapped out. Each of these scheme schedules highlights where management of schemes is devolved to individual partners, who appoint project leads, and cross organisation project boards, that will report on a regular basis on progress to the delivery team and growth board.

In order to reinforce the integrated management and delivery of the Crawley Growth programme, West Sussex County Council and Crawley Borough Council have signed a partnership agreement, which clarifies delivery goals and outputs each will achieve in return for the funding / contract with the LEP.

WSSCC is the lead / accountable body for the LEP finances and so the partnership agreement is essential in order for WSSCC to hold other partners to account for scheme delivery and for partners to hold WSSCC for their successful delivery of the programme lead body role and their role as scheme delivery lead in some circumstances. The partnership agreement also highlights expenditure eligibility and scheme delivery timelines and commits partners to delivering schemes in accordance with the agreed delivery schedules,

which accompanies the partnership agreement.

A Growth Deal is already in place to secure the way that West Sussex County Council and Crawley Borough Council will work in partnership to deliver growth. The Deal is signed by the Leaders of each authority.

There is also a Tri-Party deal with Manor Royal Business Improvement District which outlines the principles of our approach to partnership working in and around the Manor Royal area.

A Programme Delivery Team is well established. All Project and Programme reporting is monitored through the Delivery team.

The Delivery Team escalates issues to the Crawley Growth Board. The Growth Board includes key senior officers (Chief Executive and Executive Directors) who maintain an overview role to ensure progression and delivery of the Crawley Growth Programme.

WSCC have appointed a Growth Programme Delivery Manager who works with partners to ensure that the Programme is co-ordinated across the partnerships, throughout the project lifecycle.

All individual projects also progress through appropriate “in-house” governance as required by the responsible/lead authority.

#### **6.5) Key project roles and responsibilities**

In addition to the overall arrangements set out in 6.4 above, appropriately qualified project managers are in place for each of the proposed projects (at West Sussex County Council for the bus lane extension and at Crawley Borough Council for the walking and cycling route and Superhubs). We are therefore in a position to proceed immediately with further feasibility and procurement activity as soon as any funding is approved.

#### **6.6) Governance, oversight and accountability**

As set out in 6.4 above, the project teams will deliver each project. Their progress will be monitored, and initial escalation will be to, the Programme Delivery Team. The Programme Delivery Team then escalates to the Crawley Growth Board.

#### **6.7) Communications and stakeholder management**

A communications plan is in place as part of the wider Crawley Growth programme. Stakeholders are directly involved in the governance arrangements as set out above. Key partners subscribe to the Crawley Growth Programme communications protocols (see Appendix F) and have sight and sign off on all key comms.

#### **6.8) Benefits management**

Benefits are tracked and report through the Delivery Team and Growth Board.

Monthly highlight reports are produced.

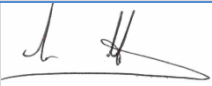
#### **6.9) Project evaluation – This will be a requirement at the completion of a project.**

Project completion and learning reports are developed for all projects and feed in to lessons learned for the wider programme

### **Recommendation & Declaration**

**Recommendation- please state clearly the recommended action this business case supports.**



<b>Declaration:</b>	I certify that the information provided in this Business Case is complete and correct at the time of submission.
<b>Signature:</b>	
<b>Print Name:</b>	Lee Harris
<b>Title:</b>	Executive Director of Place Services
<b>Date:</b>	14.8.19

**Before submitting your Business Case ensure you have all the required supporting documentation:**

- One electronic copy of the business case template, signed and dated
- Excel Spreadsheet (both tabs completed)
- Full risk register
- Any other Supporting documents and evidence required (e.g. letter of support from Area Partnership)
- Written evidence to the satisfaction of the Coast to Capital Accountable Body from a practicing solicitor / Counsel that the project is compliant with the EU state aid rules.
- VAT external advice if applicable.