

Crawley Borough Council
Crawley Business Debate 2009
24 June 2009

The Leader's Address: Challenge, Change and Opportunity

Cllr Bob Lanzer

Conservative Group Leader and Leader of the Council

I. Introduction

For those who attended last year, welcome back to this event. We had our first business debate at Virgin a year ago and we promised to come back and repeat the event because we had such positive feedback. Part of this evening is an opportunity to discuss what the Council is doing during these difficult times regarding business. But it is about much more than that. There is life outside this event and outside the Council, and we are very keen to hear from you, what your thoughts are about the current situation, what more the Council could do, what more we could do in partnership with others.

II. Working in Partnership

It is a really important point that, the number of partners that local authorities work with these days, and I will just run through a few of them with who we are very proud to work. That is the Gatwick Diamond, the Local Economy Action Group, the Town Centre Partnership and the Manor Royal Improvement Project as well. Not every town can benefit from this level of partnership, so we are very, very fortunate.

We will have a substantial amount of time for questions and answers. You have seen some of the technology already. I should mention as well, that if things get difficult, then some members of the panel – not all of them – also have the facility to phone a friend as well.

III. The Economic Situation

Since last year there has been a major change in economic prospects, which is probably an understatement. The world has gone through the most incredible economic convulsions and we are not immune from that in the UK, or indeed in Crawley. Many things we discussed last year, many factors, will have worsened over the year. Just when you thought it couldn't get any worse, perhaps it does. Nevertheless, if we look at the history of Crawley, its evolution into a new town and the way it has emerged from previous recessions, there are grounds for optimism as well; hence the title of this presentation including the term 'opportunity'. I believe that, as with businesses, it is the same with communities; if a community can ride out of the storm and survive and prosper, tremendous opportunities await it when the economy starts recovering.

IV. The Gatwick Diamond

Crawley, as many of us are aware, is at the heart of the Gatwick Diamond economic sub-region. This is one of eight sub-regions designated in the South East as being capable of demonstrating above-average economic growth. That is another factor in our favour; we are at the heart of a particular Gatwick Diamond. There is the opportunity, therefore, if we work effectively together, to not only survive a recession but to emerge from it successfully.

We are in the 140th anniversary of the publication of 'Origin of the Species' by Charles Darwin. It is often misquoted; he wrote about survival of the fittest but I would put it another way and say there is opportunity for greater prosperity for the most adaptable. Crawley has proven its adaptability over the decades, and I think there is something about the spirit of our community that makes it well-placed.

The Gatwick Diamond recognises that an economy has no particular boundaries and Crawley is at the heart of it. I would just like us to remind ourselves that Crawley represents just 2% of West Sussex County but we provide 25% of the County's floor space; we also provide 30% of the Gatwick Diamond's commercial business floor space. Certain things have changed recently but one thing remains a constant – Crawley has a strong inbound commute. Beyond our 100,000 citizens, each day some 32,000 people come to Crawley to work, to use its services and to share in its future. At the Council we see ourselves as being part of a much bigger structure, and contributing to that.

In the last year there has been major progress with the Gatwick Diamond. This group, which has business and local authority representation, has published its future plan to 2016. It has three quite simple but pertinent themes: inspire, connect and grow. We need to inspire our people to obtain the best that they can; we need to improve our connectivity – we already have a good structure but it could always become better; we need to support sustainable economic growth across the Diamond. Underpinning that is a commitment to social justice as well, so that the benefits of that growth are shared by all.

We also have governance arrangements in place for making the Gatwick Diamond work. It is quite fundamental. A principal objective is also to bring a higher education university presence within the Diamond to help raise the skills aspirations of our young people.

V. Commitment to the Economy

Within Crawley Borough Council we also have an overriding commitment to the economy. Our corporate plan is around four priorities, one of which is labelled as our economy. There are three economic priorities which I believe are well-aligned with the economic priorities of the Gatwick Diamond.

We talked a year ago about a slow-down in economic growth, and it would be great today if we could talk just in those terms. A year on we have experienced negative growth within the Diamond, within the country, and in a global context as well. We are not going to pretend this has not affected us. It puts pressure on us but I believe that, with the kind of planning we can get out of the Gatwick Diamond, the kind of aspiration for the future, we are well-placed to address these issues.

VI. The Bigger Picture

I'd like to refer to aspects of the bigger picture within Crawley, the first being Gatwick Airport. We all know there has been a bidding competition to see who will own it in the future. It is the Council's commitment to work constructively with whoever the new owner might be. We are highly aware that there are differences of opinion and strongly held views about the way the Gatwick could and should expand. I am sure this will form part of the debate this evening.

Within Crawley town centre we are committed to doing all we can to bring on the retail-led Town Centre North development scheme, a £750 million project that would represent a step change in the retail offer, enliven the night-time economy, diversify the economy overall and provide new housing. On the subject of housing we have a commitment up to 2026 to provide on average 375 new homes per annum. That is a considerable commitment. There is also a real need for affordable housing during the recession and as we emerge from it. Providing that housing would be much easier if we did not have to safeguard land in the North East sector in anticipation of a further runway. We could build at reduced densities and in a more humane and less dense way if that were possible.

I mentioned before the University centre, and what we are trying to do to attract people. There are challenges around that because the Higher Education Funding Council itself has to make economies and savings, but I believe we are well-placed to attract a university presence.

More locally we engaged in improvements to neighbourhood parades. There are eleven of those owned by the Council within Crawley. Looking at the economy beyond the airport we are committing substantial funds to the Manor Royal Improvement Project, including the branding of Manor Royal, the possibility of a social hub, improving the roads on Manor Royal, and revitalising it. We need to remember it is one of the largest business parks in the South East. It is something we need to remember and to maintain the position of Manor Royal in the South East region.

VII. Recession-proof?

There was some national publicity around the idea that there was such a thing as a recession-proof town. Crawley was placed the 10th most recession-proof town in Britain; someone called it a 'failsafe investment town'. If you look to the future of Crawley it is definitely worth investing in; however I am going to argue there is no such place as a recession-proof town. We have been hit, as other people have; our unemployment is rising to 4% over quite a short period of time. A number of factors make us vulnerable, perhaps some dependency on a limited range of sectors and also a predominance of larger enterprises. That is not to say we do not want them; it is just a statement of fact around our vulnerability.

We believe there are some positive signs out there. I am not going to say there are a lot of green shoots because too many people say that without foundation. But there is a continued investment interest in Crawley – there was a recent upturn in the number of job vacancies advertised locally, and some small increase in retail sales performance. I was also pleased to hear quite recently of some increased interest in retail units at County Mall.

VIII. Small Change – Big Difference

In terms of partnership we have responded by supporting business and managing the risk to Council services. Anything we do has a cost; we need fundamentally at the same time to continue

our ability to maintain services across the community. We have been successful at speeding up payment of invoices to smaller businesses and also affording local businesses opportunities as suppliers, and we have done this with our Crawley Homes Decent Homes contracts worth £35 million. We have also been an early adopter of the mortgage rescue scheme, although that does not benefit as many people as we would like it to; it is a national scheme. We have been very successful at promoting housing and Council tax benefit take-up, with £750,000 worth of additional benefit take-up in two years. This means that there is more money for people to spend in our economy, which is a good thing.

We are also looking at the possibility of a commercial rent deposit scheme, so that the Council, with others, might be in the position to guarantee a rent deposit for start-up businesses. In September we are planning to set up an advice shop in County Mall which will be very successful at signposting people impacted by the recession.

IX. Concluding Remarks

That is some of the work that we are doing. We are always ready to hear of what else we could do. I hope it is a useful snapshot of the challenges we face and responses that we can make in partnership, to the recession, and in the recovery emerging from it, in partnership with others.

Discussion Topics

I. The Recession and Business Support

Jeremy Taylor, Debate Chair and Chief Executive, Cadia

The first theme is the recession and business support; we will be looking at development and investment, Gatwick Airport, and Manor Royal and the identity of our significant employment area. We will then have an open session to catch up on other issues we have not covered.

How optimistic do you feel about the year ahead in terms of your business? I do not mean whether you are looking forward to a nice birthday or a holiday; this is a business forum. How optimistic do you feel in your business about the year ahead? The majority result is 'Somewhat positive', which is very welcoming. I was expecting it to be 'Not too sure'. That reflects what we are hearing, that people are cautiously positive, somewhat positive; there is something happening and you are busy. There is almost a disconnect between what is happening nationally and reported in the national media and what is happening locally and regionally.

John, can you see why people might be feeling somewhat positive and maybe look at what are the reasons for businesses to be cheerful?

John Stapleton, Senior Partner, Thomas Eggar LLP and Crawley Local Economy Action Group Chair

I think what is happening at the moment in the economy is that things have stopped getting worse and therefore have stabilised. If that makes you feel happier, it is why people are feeling slightly

more positive. But we are also going through an era of change and we do not yet know what the new era is going to look like. The last was definitely supported by leverage finance and that was a new way of working and it lasted about 15 years. That has now gone for at least a decade; we have got to work out how we operate in the changed environment.

I voted number three in response to the question because I am slightly pessimistic that we are not quite there. That is in terms of the general economy. More widely I think that the fact that Crawley imports so much labour, is in the centre of the Gatwick Diamond and has got so much going for it, I am not surprised it is a recession-proof town. It has a lot of import coming in, and it is doing a lot to try to work with business and there is a great deal of social enterprise going on.

As far as the recession is generally I am not yet feeling optimistic, but I do not think it is going to get any worse. It could be a slow up-take, and if you are going to be experiencing it, Crawley might not be a bad place to take it on.

Jeremy Taylor

Thanks for that, John. Paul, do you see Crawley returning to growth? Or what do you see over the next two years in terms of confidence?

Paul Gresham, Senior Partner, KPMG and Gatwick Diamond Overview Forum Chairman

I will start off with the UK economy, where there is an improvement in terms of the banks are lending more than they did perhaps six months ago; there are deals being talked about and businesses are acquiring other businesses, particularly as the current tax regime is quite a good time to do business transactions.

In terms of the local economy, a lot of it revolves around what happens to the airport, its ownership and the strategy of it. Bob said we have a limited range of sectors in Crawley, and travel, tourism and the airport is one. At the moment it is very much a tourist point-to-point airport rather than an international hub. That might impact international businesses locating to Crawley, which is something I would like to see a lot more of because the world has become more global.

Jeremy Taylor

Thanks. Helen, as we have touched on the airport, and we will be spending quite a bit of time on the airport later on, from your perspective at Virgin Atlantic what has the impact been on you locally? How does the industry see things over the next couple of years?

Helen Neal, Manager of Parliamentary and External Affairs, Virgin Atlantic

I would have probably voted for 'Fairly Positive' and it was quite nice to see that so many people had also voted for that. The aviation industry has felt it pretty hard over the past 18 months, particularly with rising fuel prices and the exchange rate decreasing quite significantly, which has a major impact on how we buy fuel. These things have had a big impact on us but we remain quietly confident we can get through it well. We made an announcement on Monday that we are making a significant investment, £2.1 billion for ten new Airbus A330-300s. This is a clear sign we are positive about the future and we will get through this; initially however it is going to be quite a tough six months to a year. If we had a crystal ball that would be great but we do not.

Gatwick has held up pretty well in comparison to Heathrow. We are finding that it is the leisure market that does still continue to hold up in these times rather than the actual business flights at Heathrow, where we have seen a significant drop-off in numbers. So, Gatwick is not doing too badly; there is a fairly positive picture.

Jeremy Taylor

Thank you very much. The Council is a business; the public sector is one of the largest employers within the county of West Sussex anyway, and its various forms. Lee, how is it looking in the public sector?

Lee Harris, Chief Executive, Crawley Borough Council

It is quite tough. I think we are probably going to experience a greater squeeze on our finances downstream. The Government's initial response to the recession was to pump money into the public sector, or to talk about pumping money into the public sector that might already have been there and was being recycled.

We are seeing business rates beginning to fall. The level of Council tax being collected is holding up well. Although we pay out benefits, they are centrally funded from Government. We have seen that increase phenomenally in the last few months and at some point down the line, probably after the next general election, there will be a considerable squeeze on public finances. So we are preparing for that and as a small-ish Borough District Council, we are not usually very high up on Government's priorities for funding. Those priorities tend to be education and social services, which are county functions or unitary and metropolitan local authority functions. So we are expecting to be hit fairly hard on a number of fronts, both our tax take, and our income from elements of like The Hawth and K2 - although that is holding up well at the moment. We are expecting a central Government grant, which makes up the bulk of our funding, to be squeezed quite hard, whoever wins the next general election.

Jeremy Taylor

Thank you for that. The recession is obviously affecting a large number of us, and it is affecting manufacturing, financial services, retail, leisure, and all sorts of things. It is encouraging, Bob, to hear that County Mall is receiving more interests. A key part of Crawley's offer is that we have the town centre, and I want to come on to a question about that the town centre timetable.

One of the key issues raised last year and is still very prevalent this year, is the issue around the parades and smaller businesses. Although two-thirds of you do not live in Crawley a huge number of your staff live in Crawley and it has a huge impact on them. Claire, where are we at with the parades at the moment?

Cllr. Claire Denman, Cabinet Member for Planning and Economic Development

To be honest, and this isn't a side-swipe, this sounds brilliant but it actually falls within Bob's portfolio of responsibility.

Cllr Bob Lanzer

We are proud of the fact that we have taken the necessary steps to maintain about 100% occupancy on our neighbourhood parades. That is 144 units across the Borough. There are some vacant commercial units across Crawley Borough but our record in terms of occupancy is very good. I am very pleased to say we have advanced our neighbourhood parades improvement programme by two years, both to take advantage of improved rates for achieving this kind of work and pump money into the economy at the same time.

In terms of what we are doing to help, we are always ready to talk on an individual basis to any business because all businesses are different, even those on the same particular neighbourhood parade, to see what we can do to help. We support the arranging of free business link health checks to advise on courses of action to take during the recession. We will continue doing that.

Jeremy Taylor

Gordon?

Cllr Gordon Seekings, Liberal Democrats Group Leader

I am very interested in this mainly because I was actually chairing the all-party working group that put the recommendations to the Council on a lot of the items. It is a classic example of where the Borough Council can do a lot of good when good will is there. It was an all-party group; we had some excellent officers giving input; we had the businesses inputting; and the end result is that neighbourhood parades are going to be improved. Improvements to the parades and the quality of the shops and premises will encourage firms to move in, which is good for business. It is a classic example of where we can work together and do a good job. At the end of the day we made a whole host of recommendations which went to the Cabinet and Bob's group. They were accepted and are now being worked on. It is something the Council is rather good at and we should be screaming and shouting about it more to you guys in the business community. The opportunities are there to help us improve the parades even more and make money for you.

Jeremy Taylor

In advance of this meeting we had discussions and questions were posed. The key thing for businesses that are on the parades is what the Council can do to encourage people to go and shop there and spend money there, because it is a part of this town's offer. I do not know if there are any thoughts on what the Borough can do to encourage people. Bob?

Cllr Bob Lanzer

Thank you, Jeremy. One thing I believe we should be looking at is how to map out the exact composition of our parades, perhaps through an internet portal as they do in certain London streets, so that people can see exactly what the Crawley offer is. It is very substantial when you look across our eleven neighbourhood parades. I believe we can do more to promote them. I also believe that we can do more in our public statements to encourage people to shop at the neighbourhood parades, because that is the most natural way to support our neighbourhood shops – to give them business, to support them by actually using them. When I hear from people who complain about the state of the neighbourhood parades, I ask them when they last used a shop on the neighbourhood parade and they are not readily able to tell me.

Jeremy Taylor

I support my neighbourhood parade by going out and having to drink that I need a taxi and a drycleaner. What I would urge you all to do is spend as much time doing that as possible. Brenda, do you want to say something? Then we will move on to the investment and infrastructure.

Cllr Brenda Smith, Labour Group Leader

The improvements and projected neighbourhood programme are excellent and I am glad to see it coming forward; I am sure everybody across the town is.

This question is more to do with the rent and rates of businesses that are there at present. It is true that some of the businesses on the parade that have been there for some time are struggling; there is no doubt about that. I would like to see the Borough Council doing more to support those businesses through this difficult time, with consideration to increases in rent and rates and that type of support. I think that is what they are looking for, the pound in their pocket. People will continue going to the parade and continue using the shops as long as the shops are able to sell and promote the things people want. If some of the smaller businesses go out of business because of the financial position they find themselves in at the moment, all shops on the parade will suffer because the number of people going there will reduce.

I am very fortunate that my parade is one which is being upgraded and has also been one of the very well supported and used parades. Talking to people there and some of the shopkeepers, there is a downturn in the number of people who are using the local shops which we have to maintain. If we want to be sure that those businesses will come through this, we have to help them through it.

Jeremy Taylor

Thank you, Brenda. Claire?

Cllr Claire Denman

One of the dilemmas that the Council faces is that £2 million a year is generated through shop rents and, as Bob and Lee have touched on, there are some vital services which we have to provide for our residents. You can see where sometimes we are caught between conflicting priorities.

Regarding what we can do as a local authority to actually get people to use the parades – to me the key is actually make them somewhere where people want to go. I live in Ifield, a parade which will soon undergo some major work. At the moment there is very little car-parking available, which is something as a local authority we are trying to address, to ensure that people can park and actually use it. We have got to make sure that there are assets that people actually want to go to. Let us face it people will not go if there are no assets there.

II. Development and Investment in Crawley**Jeremy Taylor**

Thank you. The next theme is looking at development and investment within the Borough Council itself. There has been much made lately of big plans around Town Centre North coming, which is

one of the things with the current economy that is a little up in the air. Bob, do you have anything definite about where we are at with Town Centre North?

For those of you who are not familiar, Crawley has a town centre which is very good. Those of you who do not live here should go and see it some time; it has got a lot of facilities. There is a major plan to develop the whole of the Town Centre North running from the Boulevard, the old library building, all the way along to where the original bowling alley and cinema were situated. Bob, where are we at?

Cllr Bob Lanzer

Thank you, Jeremy. I can definitely say something that might not sound too definite, I am afraid. We are still at the table with the potential developer, or developers as it might turn out to be. We are in an economic environment now where there will be a bit of risk-sharing going on with the primary and secondary developers. We are going to do all that we can to make things happen. We are looking at the scale and scope of it again, so it might not be as large as previously. That said, if you look at other parts of the country, discussions have ceased altogether. Anything we try and achieve in Crawley needs to be seen relative to what other people are achieving. What we are still in dialogue over is a scheme that would enable a significant retail step-change for Crawley.

I am not going to say it is done and dusted. There are all sorts of challenges with falling land and property values. Councillors across Crawley Borough and the Councillor Committee are doing all they can to make the scheme happen.

Jeremy Taylor

Thank you. Andrew, I would like to turn to you. From your perspective as the property professional what do we, as a business community, need to be lobbying for? What does the Council need to provide? What does Crawley collectively need to do to become attractive, so that in negotiations with developers we can persuade them to come to the centre as well as other sites and the industrial estate? Where are we at in terms of development? What do we need to be doing?

Andrew Osborne, Partner, Vail Williams

It is quite important for Crawley to ensure it gets the right mix of employment land. I have seen situations where manufacturers have had requirements in the town and have not been able to identify the right buildings. They have gone elsewhere, to East Grinstead and Horsham. This is a key objective for the town. There is a bigger picture here in terms of what Crawley can offer. Sometimes Crawley does not punch its weight in terms of its regional capability. It is a regional business centre, which is why we have 30% of the service industries. If you look at it in the context of the sub-region, and nationally, we do not have the offer to compete with places like the M4. I think that would be useful for the town.

Jeremy Taylor

Thank you very much. What are the two key economic priorities for Crawley? We can see that support for Gatwick Airport is the preferred choice; encouraging enterprise and small business is there as well. We probably have an equal billing for improving Manor Royal, the town centre offer and workforce skills, and delivering a university centre. Would anyone care to comment on the results we have here, bearing in mind we are going to have Gatwick as a unique subject?

Cllr Claire Denman

Thanks Jeremy. I am really pleased to see the results on encouraging enterprise and small businesses. There are two perspectives on this, your businesses – you come in here, you work with us, you work in Crawley – but our residents tend to do some of the lower-paid jobs. We cannot skirt around that issue. Another key issue is improving skills and the enterprise culture in Crawley. This is something we have been looking at as a Local Authority and it is good to see it is recognised out there as well.

Jeremy Taylor

Thank you. Helen?

Helen Neal

It is very pleasing to see the support for Gatwick Airport. I think that is right; I would say that, wouldn't I? The main point that I would like to make is that aviation is actually a great UK success story. It is something we should be very proud of and something we do very well. But it is not inevitable that it is always going to remain that way. We are going through a very difficult economic time at the moment. Bob mentioned earlier the survival of the fittest and he is quite right - it will be the aviation industry that adapts to and survives in the new era we find ourselves. Those industries will succeed. It is great to see that there is big support for Gatwick Airport and it is a relief to me.

Jeremy Taylor

Thanks Helen. Paul?

Paul Gresham

With my 'Chairman of Gatwick Diamond' hat on, and also as a local employer, I am very keen that we have better colleges, that we can get a university up in Crawley and the Gatwick Diamond patch, because we need the skills for the future. We need to be getting better educated people through colleges and universities into the local economy, so that we are up-skilling all the time.

Jeremy Taylor

Thank you. Colin Monk is here from the University of Brighton. We have been involved in talking about a university centre for Crawley for about a year and a half now – well, about five years to be honest, in one form or another. The Brighton offer has been around for a year and a half. At the moment a statement of intent is going into the funding Council which we, as a business organisation, are co-signing. Mark is involved in organising it, as Steve is from the Chamber. The business community is actively supporting it. We can influence this. We had an event with the University of Brighton recently where we positioned statistical analysis as a core subject for businesses. I believe that will now be put in the prospectus for the future university centre.

III. The Image of Crawley

Jeremy Taylor

One of the issues that people raised is around the image of Crawley. I want to get an understanding of your perception as people, some of who live but whom all work in Crawley. Is there an image problem within the town, within the Borough itself, in terms the business community, for you as businesses in your relationships with customers and suppliers and staff as well?

We have got about a third saying there is a real negative impact; 40% saying there is a bit but it is not worth getting worked up about; 20% saying not really and no worse than other places; 6.5% said not at all. Those will be all the people working for the Borough Council. I would like to take someone from the floor, maybe someone who voted for number one – that there is a real negative impact.

Participant

It explains why we call our office the Gatwick office. Partly it is for international business which does not know where Crawley is but knows there is an airport at Gatwick. It was also for our regional offer. From our professional services point of view there is an image problem with Crawley.

Jeremy Taylor

Okay. I will take one person who commented number two – a bit, but not worth getting worked up about.

Participant

I put that because I think Crawley has a little bit of a negative image at the moment. I do not think it is worth getting worked up or it is anything to worry about. I am a Crawley resident and business owner; I think 'get on with it' and make things better instead of worrying about it.

Jeremy Taylor

Okay. One of the interesting things that should come out of this is we should be able to do some statistical analysis and see where people live and/or work in terms of some of the responses. It should be quite interesting to feed that back. In terms of 'not really, no worse than other places', can someone comment?

Participant

I was brought up in Slough.

Jeremy Taylor

Would anybody care to comment on number four? Let us move on to the next one. Gordon, you would like to lead us with your response to what has been said.

Cllr Gordon Seekings

It ties in with the previous questions as well. I have two children, aged 27 and 30; they both went to university and got good degrees, one in Plymouth and one in Southampton. They both decided they were not going to come back to Crawley because of its poor image. The Crawley children are not any thicker than anyone else; they are still going to university and college. But the problem is they are not then coming back into the town. There is an image problem.

There are two other youngsters I know very well, two boys, one aged 15 and one 16. One of them is very intelligent, he is under peer pressure from his slightly older brother because, he says. 'Crawley is an awful place, you never do anything in Crawley, and there is no point in you going to university.' There is a self-image problem amongst youngsters, which needs to be addressed as much as anything else. I'm not a complete fan of the university for the town. I recognise that further education is what is needed for the children. We need to attract them back into the town to become the future councillors and business leaders.

Jeremy Taylor

David?

Participant

Jeremy, can I answer as one of those who voted for number four up there, following up from the point over there? It might have been true in the past and we have all read the press, but I have actually been one of those in the press saying there is nothing wrong with Crawley. I work through the Gatwick Diamond but there is a massive investment going into Crawley. I understand Peter, Thomas Eger[?] and the professional services firms saying that 'it is the Gatwick office'. That is a regional title. There is a massive investment going ahead and there massive opportunities that are now available. There are opportunities for people, particularly young people in the professional services sector. When I was doing my training I had to go up to London; now it is not necessary. There are umpteen professional firms that will offer that opportunity. Things are changing. As far as my own business is concerned, I can say we are based in the Gatwick Diamond, I can say we are based in Crawley. I don't care; it makes no difference to our clients.

Jeremy Taylor

Excellent. Thank you, David.

Participant

I work for a small firm that employs a lot of graduates and post-grads. It is a high-tech, science-based organisation. We have to push the nearness to Brighton. I cannot get people to relocate to Crawley – as a generalisation. People are returning with very high salaries to spend elsewhere, as well as wasting time commuting to work. As traffic problems build up, I'm getting problems with them getting to work late, and so on. Crawley has massive opportunity with the investments we have been talking about, to be a cutting-edge, modern-looking, modern-feeling place, which would bring people here. The university link is absolutely essential. I am working now with Brighton Business School and my staff have to go down there for classroom-based experiences. It is a real shame because they do not associate Crawley with high-level education and the link that goes with that in their perception of the place.

Jeremy Taylor

Good. Thanks for your comment.

Cllr Brenda Smith

I have been here a long time and I have stayed and worked around the town. I am always saddened when the Crawley image is put down. The sad thing for me is that everybody in the room laughed. You are the business community. When the question was asked, 'where do you come from', most of you said you do not live in Crawley but you have come here to work. That belies the answers that you are giving as businesspeople. I am not in business, I never have been, but I just sit and listen to what you are saying. And I have to say the image that you are creating is the image of the place you work in.

I have lived here, I have educated my children and they have both done well. One is still in the town, one has moved out for various reasons. He was in the RAF and we do not have an RAF station. I do not think it is necessary to provide every type of business or opportunity in the town. But I do think that most of you get your workforce from the town. They are the people that are providing you with your successful businesses; you should be the people that are promoting the image of Crawley and not laughing about it.

Jeremy Taylor

Thanks.

Lee Harris

Image is about image for whom? Residents have a very positive image about Crawley as a place to live and as a place to work. It has a positive image about itself. There is always tension about the Gatwick office and Crawley, and business decisions to locate into Crawley mean there must be something positive about Crawley and being here.

Adding to Bob's comments earlier about Town Centre North and the investment there, we are working very hard with the developer. John Lewis, much to my wife's delight, still wants to come to Crawley. That says a huge amount about Crawley's image and where a firm like John Lewis see Crawley going for the future. I would be very optimistic about image improving over time.

Participant

I am sure it is one of many such examples but it has been talked about for God knows how long. When is it going to be delivered? Pushing back in terms of image, I had a VP from Capital Investment and he asked whether Crawley was an area of high crime, just because it looks the place. I cannot patrol the rest of the streets in the area.

Participant

We can have a negative image about Crawley but personally I do not. I think you have to look at where Crawley is situated. It is in one of the most beautiful counties. Most of the people who can afford it would probably rather live out in the country somewhere around Crawley, which would

explain why perhaps a lot of people commute in. This is not the fault of Crawley; you could take any town, put it on this same spot and probably have the same effect.

Jeremy Taylor

Good. Thank you for that. Are there any more comments?

Participant

I represent the cultural part of the South East. I work for Arts and Business and I always come to Crawley for my entertainment because I loved coming to The Hawth. When I went round asking businesses where they take their entertainment, they hardly ever mentioned The Hawth and they are missing a really jewel in the crown. That is what we need to sing about.

Jeremy Taylor

Thank you.

Participant

Can I just make a slight exception to Brenda's comments about the businesses? We are used to taking the blame of everything in life. I live in Crawley, I have lived here all my time and I have sent my children here. Unless we actually address the issues, of which image is one, and if we constantly are in denial, it is not going to work. We have done certain things, such as work on CCTV cameras, which is positive. Our schools under-perform within the county; there are better schools outside this area and there is no good reason for it.

We do not give a good image in terms of some of the infrastructure. I had a recent testimonial from a company who came to us who said, 'We almost turned away when we came into your road because it looked so awful.' He later said it was fantastic and he was pleasantly surprised. I have spent £100,000 on the internal part that I can affect of my building. Leading up to it, despite protestations to try and improve it, nothing happened. Crawley spends an awful lot on infrastructure, which I am not denying, but there are things which affect business and its image.

Jeremy Taylor

I probably will not ask the panel to answer that because it becomes a bit of a ping-pong match to be honest. There is money being spent on the areas. Stephen, we have been talking about the area where you are for about two or three years now, so I know that is happening. We are going to hear a little later on about some of the look and the profile of Manor Royal and some of the work that is being done there. We have someone from West Sussex County Council but I will not look too closely at him. Henry Smith is Leader of West Sussex County Council. We have been doing very close work lately, particularly on roads and highways. We empathise with the fact that the Borough Council is responsible for bits of the highway and the county Council is responsible for other bits. Major routes in and out of the area are covered by the Highways Agency. There are three people who can blame each other at any one time. That is important. Henry, could you give a couple of words on what the county is doing to invest in Crawley?

Henry Smith, Leader, West Sussex County Council

Yes, absolutely. While I am here representing West Sussex County Council as the Leader of the Council, I am also a Crawley resident. Like many people in Crawley I was not born here, but when I got married we chose to live here and it is very important that we do talk up what Crawley has to offer. There is definitely a perception problem about Crawley. While fact and perception may often be different, it is important that we recognise the impact of perception and we do something about that. Mention was made about education; many of Crawley's schools are not performing as well as they could but equally there are a number of shining examples – Hazelwick School is one of the best performing schools in the county. We must not lose sight of where we are achieving real differences. The comments earlier about needing to invest more in skills and diversify the economy are absolutely essential.

With regards to Manor Royal itself, you are right. The state of the roads is pretty appalling in Manor Royal. If this is supposed to be a regional centre or a European centre, where international companies are locating, it needs to look better. We have just announced we are going to be investing an additional £0.5 million in improving the road infrastructure in Manor Royal. That is on top of an extra £1 million in improving the highway infrastructure generally in the Crawley area as well, in the financial year we are in at the moment. There is a lot we are doing – with regard to schools again, we just saw five years ago some £80 million worth of investment and three new secondary schools for the town as well. There is a lot happening but we need to go a lot further. We are in a recession right now but it is not the time to take our foot off the pedal. I endorse what Bob said about opportunity. The County Council will be playing its full part in that.

There has been an amusing comment up and down the County Hall for twelve years. Crawley is always referred to as the powerhouse of the county, and that is very true, and people recognise that. Bob's comments at the beginning about having 25% of the floor space but yet only covering about 4% of the land area is a testament to the importance of this town.

Jeremy Taylor

I'm going to take the microphone off him and thank him for £0.5 million, every year for the next three years. You know it is never enough, Henry; whatever you say is never enough but thank you. My understanding is that it is going to happen in this financial year; we are looking at Manor Royal, and Fleming Way. You have picked up the sentiment, which I have said enough times. Thank you for taking up the opportunity. John, did you have one more point on the image before we move on?

John Stapleton

Yes. I just wanted to say that this is something we discuss a lot in the Economy Action Group and it is not a destructive conversation, it is a constructive conversation. Crawley is a 60-year-old new town; it is an old-ish new town. You have to face up to that fact; it has to look forward and find new inspiration. I am sure it was inspiring when it was a new town, but it has got to find its new inspiration for the next sixty years. That will only happen by being frank about these conversations, injecting enthusiasm into Crawley and the transformation. It has to go through this transformation and have a strong economy, and that will happen by attracting strong businesses and making it an attractive place for the future businesses. It is not a destructive conversation, it is a constructive conversation.

Jeremy Taylor

Thank you, John.

IV. The Gatwick Diamond**Jeremy Taylor**

We have mentioned the phrase ‘Gatwick Diamond’ quite frequently; Paul Gresham is Chair of the Overview Group and David Butcher has led the scheme for the last five years although it feels like fifty. He had beautiful brown hair before he started there and he was taller, which is not physically possible. We want to hear a quick overview before we ask Paul to touch on the Gatwick Diamond and how it works with Crawley. How many of you have heard about the Gatwick Diamond? This might dictate how long the next session is. About two thirds of you know about it and understand what it is about; 30% have heard of it; there is about 6% have never heard of it until tonight; 1.2% who are just still wondering when their induction course starts, and how do they get their flights to Tokyo.

Paul, what is the Gatwick Diamond looking to do to develop Crawley as a part of the Diamond?

Paul Gresham

Thank you, Jeremy. Bob introduced it very well as part of his introduction earlier. Basically it is a public and business partnership which is looking to help the local economy, the wider Gatwick Diamond economy, grow. We have Local Authorities, the West Sussex and Surrey County Councils represented, and other bodies such as Learning and Skills Councils, colleges, Cadia, etc, as well as a number of business representatives.

Our belief, and we are absolutely passionate about this, is that the power of that group will help the Gatwick Diamond grow faster than any of those individual components could do by themselves. What we are after is support from all businesses in the Gatwick Diamond to all the things, to allow the memberships of our groups grow, inspire and connect, helping us, giving us guidance, thoughts and advice on anything you want us to do. When we work together we have proof that we do get things working much better for the local economy. We want the Gatwick Diamond to be known in the UK and around the world ultimately as the place in the UK to go to where things happen.

Jeremy Taylor

Thank you very much. It is interesting, I have worked around the public sector for quite a number of years and when you say that the triumph is that you have brought together six Boroughs and districts and two county councils to agree on things, as a business, we would probably think, ‘well, why wasn’t it always thus?’ When you talk to the public sector they go, ‘Really?’, because it is quite a step forward. We have got that in place, what we need to do now as a business community is help influence how it works, and the fact that it has Paul as head, and David’s involved, the business community is there. It is a very important part of what we do.

V. Gatwick Airport

Jeremy Taylor

We are going to talk about how you use Gatwick Airport and what it means to you, before we get on to the big word which we are going to discuss a bit as well. The first question for you to vote on is, 'How important is Gatwick to your business?' The answers are 'somewhat', 'not much', 'very' and 'would be more important if there were more business routes'. The last one is something that will probably come up in discussion when we come to the open floor in a moment. It is unsurprising that Gatwick is important to so many people.

We will go straight to the next vote because it is about your business relationship with Gatwick. Do you actually use Gatwick in your business? Is it relevant to you in terms of international or domestic travel, be it through the station or through the airport itself? Do you actually use Gatwick or are you just here because other people are here?

It is brutally important that you do not all use it. Over half the people do not actually use it in your business. I think that is really interesting. One of the conversations I have with the Borough Council is about diversity. From our perspective Gatwick grows diversity; it brings all sorts of businesses here that do not work at Gatwick or use Gatwick, but they are here because of the importance of the airport.

We will be doing some analysis as we go through on those questions and answers. Helen, let us start with you as the aviation person. Give us a view on the importance of expansion at Gatwick Airport or the encouragement of Gatwick's development.

Helen Neal

Gatwick is obviously hugely important to us. It is our main leisure route destination point. In terms of expansion of Gatwick Airport, do we think it is necessary? Yes, but there is a big 'but' behind that. We certainly agree with the Department for Transport's (DFT) White Paper, which was produced in 2003, said that the South East will need three new runways. We think there needs to be one at Heathrow and one at Gatwick. To be honest, we are not quite bothered where the next one is, but Gatwick and Heathrow are extremely important to us.

Gatwick is obviously slightly different because there can be no development at Gatwick until 2019. We are looking at the future of Gatwick in the medium- to long-term. There should be a second runway at Gatwick but there needs to be strict environmental controls over any decision is made for the development. It is necessary, it is needed; currently the capacity at Gatwick is running from about 80% to full, dependent on the time of year. If we look 10 years down the line, there is going to be greater demand in capacity and requirements for capacity going forward. So, there is absolutely a need with it, but, as with Heathrow, environmental issues need to be strictly controlled. Virgin is one of the few airlines which is massively pioneering in the area, to find ways in which we can reduce our fuel burn, our emissions and our noise from our aircrafts. We are doing a lot about that and I am happy to answer questions on that later.

So, does Gatwick need a second runway? Yes, but in the long-term, medium-term future, and that must be done within strict environmental controls.

Jeremy Taylor

Thank you, Helen. Andrew, what role would you like to see Gatwick have in terms of making your life easier and maintaining the business community and growing it?

Andrew Osborne

We have been talking to some businesses that are here because Gatwick used to have lots of international destinations which it does not have now. I worry that, as and when they have got lease breaks or properties coming to the end of their useful life, they might move to locations closer to Heathrow. Business flights are quite an important thing. Gatwick is one of the catalysts for businesses relocating in the area; it is the communication and tick-box, so it suits some and does not suit everybody.

The opposite side of the fence is if Gatwick expands. There is talk about second runways, which is going to impact on a lot of businesses that will become homeless because of the geographical constraints of Gatwick. We need to sort out where they are going to go and Crawley needs to be alert to that.

Cllr Gordon Seekings

I want to see the expansion of the airport but I do not want to see a second runway. I do not want a second runway for a couple of reasons and I think there are logical reasons besides the emotional reasons. If it is a close, parallel second runway it will actually be inside Gatwick Airport. That might be okay for Virgin but it is not going to be okay for the rest of the businesses because they will have to close and move out. Therefore it is going to harm businesses, at least in the short-term, if it is going to expand on this area.

If it is going to be second runway to the North West, which is a true second runway, try and visualise where Dorking is; that is roughly where the North West boundary of the airport will be. You think of the land take and the land grab, and the number of businesses that are going to go as a result of that; it is not going to be cost-effective for most companies.

Thirdly, if you stand on the South Downs up near the Jack and Jill windmill on a dusky evening, look towards Crawley, all you can see is lights in the sky of aircrafts stacked up nose to tail. There is a runway capacity problem which has been pointed out by our colleague from Virgin. But there is also a problem in aerospace. Unless you sort that out, how are you going to get an aircraft from one point to another? You can have as many runways as you can but you do not have the space to put them in the air without crashes or near misses. Until that problem is addressed, everything about a second runway here at Gatwick is totally irrelevant.

Cllr Bob Lanzer

I agree with a great deal of what Gordon has said. The Council's policy position is to support the expansion of Gatwick airport on a single runway, two-terminal basis. My understanding is that a single runway operation could accommodate 45 million passengers per annum. The point Helen made about capacity is very interesting because, if you were operating at 80% capacity on a year-on-year basis, it could imply quite serious difficulty at some points in the year. There are all sorts of concerns, including environmental issues and over-dependency on a single sector. I take the point Jeremy made about the sector encouraging and stimulating the growth of other business

sectors. If we flash back to the early 1990s, the recession and the first Gulf War, we found Crawley disproportionately affected by unemployment compared to its neighbours, in part because of its dependency on certain commercial sectors.

I would like to believe that we could do as we do in other parts of our lives – exercise a degree of demand management around aviation. We could do that while recognising that only 18% of Gatwick's traffic is business users. It is a little bit at odds with the environmental imperative to have a return airline ticket into Europe which, at face value, is cheaper than a day return to London Victoria and free travel throughout the capital of the UK.

Jeremy Taylor

Thank you. Brenda?

Cllr Brenda Smith

I am the councillor for Langley Green which actually Gatwick is geographically located; therefore I have an interest in the Airport. I have always supported Gatwick Airport as a neighbour but not at any price. I think the price of a second runway is still too high for Crawley. As Bob says, the policy of the Borough Council at the moment is an one-runway, two-terminal airport, which he and I worked very hard together to achieve. I have not changed my position on that.

One of the main reasons for the proposed development of Town Centre North was to bring in another element to the Crawley economic debate: retail. Unfortunately, because of the global downturn, that has not happened but the predictions were that we should become a major retail centre in this part of the country. I still believe that that is the right thing for us to do and the airport should be run particularly as it is.

It is interesting that we are in this situation of the sale of Gatwick Airport. I think an interesting debate is going to emerge when we know who purchased it and what their intentions are. There is a lot of work being done at the Airport, which is being supported by the Borough Council, in planning and in infrastructure increase. I am sure Claire could tell you quite a lot about that. I think the future of the Airport is very much in the hands of the new purchaser, and their proposals for it. At the moment my hand remains up for one runway and two terminals.

Lee Harris

There is something seductive about 'airport expansion equals more jobs'. What we heard from the politicians is that there are costs which we wrestle with, and as Gordon said, it may actually cost some business premises. But it also will be costs in terms of how people get to and from the airport, and there are costs in terms of competing priorities for housing.

Having said that, one of the things which is more immediate and concerns us is where the airport's position in terms of its place in the economy and how it is working. Some work we have doing with the other local authorities, and the business community through the Gatwick Diamond, is the work at looking at the 'what ifs': what if Heathrow does get a third runway? Where does that leave Gatwick? Where does that position Gatwick, Crawley, and the Gatwick economy? That feels more immediate.

While location politicians and the local Borough Council's views about the airport will be important in terms of shaping and representing opinion to Government, ultimately the decision on airport expansion is a national decision, i.e. that the Government wants to do it and there is a business that wants to invest and make the business decision that airport expansion makes sense from business perspectives. Those two things need to come together at the same time to make it happen. I think we are seeing some difficulties around Heathrow in terms of actually making that happen.

Helen Neal

Gatwick is not a substitute for Heathrow, but Heathrow can be a substitute for Gatwick. We have seen that through a lot of the American carriers moving from Gatwick to Heathrow. As I said earlier in the evening, it is not inevitable that things are going to remain the same. I think we need to think about the future – not necessarily now – about what we do with Gatwick and what Gatwick's future is actually going to be.

Jeremy Taylor

Let us open it up to the floor.

Participant

In 2019 the current legal agreement expires and in planning terms that is a very short time away. If you bear in mind some of the decisions to build roads or build railways take 10-15 years to actually get a 'yes' on. Also on Bob's figures, six million passengers fly through Gatwick every year. That is an awful lot of business people using the Airport now. Thirdly, on Helen's point, think about the cost of not having a second runway, in 60 years, on the economy. There are a lot of businesses out there which in the next 10-15 years will start making decisions about not just whether they want to be in Gatwick, but also whether to move away from the area; they will probably make the decision to move out of UK PLC. We are going down a very dangerous path if we think about this as a decision for the next five years. It has got long-term consequences for the economy.

Jeremy Taylor

Thanks Mark.

Participant

I want to echo some of the comments made earlier by some of the panel members and members of the audience. Firstly, Crawley probably is more recession-proof but at the moment it is suffering from a double whammy: the open-skies effect and the recession. In terms of the effect of the open skies, 18-24 months ago there were 25 daily flights in and out of Gatwick. At the end of September there will be one US carrier still flying trans-Atlantic – US Airways. That cannot be right for Gatwick as a business community and we need look forward to how we get some of these open skies carriers back.

In the longer-term we should be looking further to the future, i.e. emerging economies, such as China and India. Do we want all of them to go to Heathrow or other airports with sufficient

runway space? We should be looking forward to have business facilities, for emerging economies to have representatives in Gatwick with sufficient air space and runway space to be based here.

Jeremy Taylor

Thanks.

Participant

I want to endorse a couple of points. It was not that long ago that Gatwick flew to more US destinations than any other European airport. At that time we had a number of enquiries from US high-tech companies looking to locate their European launch-pad in the Crawley/Gatwick area, because they could get home easily. The open-skies effect and the reduction in network flights back to the US had an impact on demand. A Gatwick expansion, be it a second runway or not, needs to engage the carriers to see what can be done to encourage them to protect that business network so the area gets the economic benefit of that kind of activity.

Jeremy Taylor

Thanks for that.

Peter Young

I work for CGGVeritas, which is a geophysics company based in Crawley. We have almost 400 people working in our premises in Crompton Way. Our clients are all the major oil companies, and many Governments, and from Crawley we service Europe, Africa and the Middle East. Our main offices are in Houston, Calgary, Perth, Singapore and Paris.

Originally we could fly to all the destinations out of Gatwick – all our business flights, and all our clients, the people who came to us came in through that airport. Now we cannot fly to any and we have to go to Heathrow. We spend over a £1 million on flying out of here and we obviously have a lot of people flying in. We now have to travel to Heathrow. If you start to look at it logically, you would ask why we are here. We are here and we are committed to being here, we are just making huge investments improving our premises. But it is a real problem for us – we are spending about £0.25 million chauffeuring people to and from Heathrow. It really does not make any sense.

Jeremy Taylor

Thank you, Peter. A lot of it will probably be resolved when, as has been said, we get a new owner for Gatwick Airport, and we can understand what their role is going to be and how they are going to promote Gatwick as a destination, rather than one of three London airports. The other thing that we are doing as an organisation is talking to businesses about the routes they need and want to fly to and from, to take that information to the airlines to say that these are the key business destinations. As Mark said, 18% or one in five travellers going through Gatwick are using it for business, and that has a huge impact going on.

Participant

I would just like to make a comment on trade through the airport. If you look at the amount of documentation that goes through the Heathrow Chambers of Commerce, it is over ten times the amount that goes through your local Chamber of Commerce. That is a huge amount of business that we are not getting here in Gatwick.

Jeremy Taylor

Does Gatwick need a second runway? You will not be legally bound by this. We need a bit of feedback from the business community. You have the opportunity to say, 'it does not matter either way, we just need a decision'. Landowners in the area are very keen for that to happen. 'Not sure/undecided' is an option as well. We will not ask for comment or feedback on this; it is going to go into the statistics that Steve is drawing together. Thanks very much for doing that.

Closing Comments

Cllr Claire Denman

Thank you very much. I do not know how many of you know Jeremy very well, but I have never seen him so subdued. He usually has a very strong opinion on everything and makes sure you know it. I have taken absolute great delight in watching him behave himself impeccably, so thank you, Jeremy. Thank you also to Steve Sawyer. Steve is our economic development officer and the amount of days this guy has spent on this project; he really has pushed the boat out. Thank you to the glamorous panel you have assembled here. You might like all the answers but they are honest answers, and I think that is the most important thing we can possibly have.

The key about this is that people have different perspectives. From a Local Authority point of view the bottom line is that we have got 100,000 residents who look to us for guidance, who look to us to make decisions on their behalf, who look to us to look after them. As businesses you play a vital part in this. But sometimes we do have a different perspective and we have touched on that tonight with issues around Gatwick, the shop-front and that perhaps there is some confusion around Town Centre North and where the Council is going.

I think what is important is that you can see the Council does actually have a vision, it does have a very clear focus on how we see this town, and how we see this develop. But of course we need to be informed by you guys, because you are at the sharp end. Thank you very much for your comments, and your honesty.

Regarding Gatwick, we are going through our Local Authority Framework Issues and Options Paper. How many of you have actually responded to that? One or two; that is great. If you have an opinion on how the town is developing, for goodness sake express it, and contribute as best you can. Ted, or any of the other planning officers here will be able to tell you and perhaps give you some guidance on how you can feed that back. But issues about Gatwick are not going to go away. We are aware of that. And if you look at the LGF issues and options document we do touch on this. Again, Town Centre North – we touch on this. We talk about universities; we are talking about how the economy is going to develop. We need your input. So, please, do not be passive. Try and engage with us.

I would like to thank you all for your time. I see so many familiar faces and my husband always takes the mickey out of me, saying I tend to treat this like a drinks party. But it is great because I have my fabulous Mel over there who I love to death and Andrew over there. There are so many of you that I have worked with, I have met, talked to and liaised with, and it is fabulous to see you all. We all have a relationship with you businesses, and we must make sure we do not forget it.

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