

**CRL/R/7**

**Transport and Works Act 1992  
Transport and Works (Inquiries Procedure) Rules 2004**

**CROXLEY RAIL LINK ORDER**

**Mr Martin Morris**

**Mr Paul Reid**

**Mr Mike Adams**

**Composite Response of Hertfordshire County Council and  
London Underground Limited to  
Mr J MacDonald**

**9 October 2012**

Applicants' response to MAC1:

**Mr Hunter:**

**1 reduction in construction costs :**

*"...the reduction of the costs of construction by more than 30% has still not been explained"*

- 1.1 The outturn scheme costs identified within the Major Scheme Business Case (MSBC) and the Best and Final Bid (BAFB) submissions cannot directly be compared.
- 1.2 In 2009 the value in the MSBC of £170.8 million was calculated by applying a forecast of inflation to a 2007 cost estimate to represent a scheme opening year of 2018. The project was constrained to this opening date by the availability of Government funding. Construction cost inflation was assumed at 4.5% pa, in line with expectations at that time and consistent with then DfT guidance.
- 1.3 The BAFB process was a competition for funding which the Coalition Government was able to make available in 2016 rather than 2018. As set out in paragraph 3.2.1 of my proof (CRL/2/2) DfT advised all scheme promoters that it expected scheme costs to be reduced, if promoters were to successfully attract funding. The cost estimate was updated to 2011 prices and a scheme review and value engineering exercise was undertaken which successfully reduced the cost of the scheme. Due to the effects of the recession and a change in DfT advice a lower inflation rate of around 3.5% pa was applied to represent a scheme opening year of 2016. Each of these exercises brought significant reductions in cost as illustrated in the table below.
- 1.4 To highlight the impact of the value engineering exercise on the costs, a 2011 equivalent MSBC cost estimate has been derived based on the inflation assumptions from that submission. On this basis a comparison can be made between the two cost estimates, separate from the assumptions of inflation rate and opening year.

MSBC	BAFB	Change	
Cost Estimate (2007 Prices)	£111.8m		
Cost Estimate (2011 Prices_	£133.3m	£104.4m	-£29.0m
Inflation to assumed opening year	£37.5m	£12.4m	-£25.1m
<b>Outturn Scheme Cost</b>	<b>£170.8m</b>	<b>£116.8m</b>	<b>-£54.0m</b>

- 1.5 The value engineering exercise was successful in reducing the total cost estimate by £29 million, a little under 20%, without reducing the operational scope of the project. Much of the saving was obtained in updating the allowances for costs on top of the construction cost, such as preliminaries, overheads and risk. A saving of a further £25 million resulted from updating the assumed rate of inflation and project opening date.

**Mr Adams:**

**2 Temporary and permanent arrangements**

- 2.1 Paragraphs 5.3.35 to 5.3.40 of the Town Planning Proof of Evidence CRL/7/2 set out the position in relation to Cassio Wharf. It is anticipated that three of the ten boats currently moored along Cassio Wharf will need to be relocated for all or part of the construction of the viaduct. I set out in my proof at paragraphs 5.3.32 to 5.3.34 the options that have been considered for the boats that will be affected by the construction of the viaduct. Mr MacDonald's preferred solution is to extend the wharf to the south on land that is outside the limits of this project. This would present considerable challenges because the land is in the Green Belt, would impact on existing vegetation and require works in the canal. The project has offered the option to relocate the three boats within the Limits of Deviation to the Bridgewater Marina, on a temporary basis, for some or all of the construction period. Any reasonable costs and expenses for disturbance during construction associated with this temporary relocation will be covered under the Compensation Code.
- 2.2 At the meeting held at Cassio Wharf on 23<sup>rd</sup> July 2012 the boatowners and Mr. and Mrs. Macdonald expressed a preference for staying at the wharf during the construction period. This could be achieved in the event that the contractor considers that some or all of the boats can stay in situ during part or all of the construction period or by temporarily mooring boats, two abreast, alongside boats that are moored outside the Limits of Deviation. The project will seek to maintain the supply of services including electricity, telephone, water and disposal of chemical toilet waste during the construction period. It may be necessary to temporarily suspend some services if it is necessary to re-route services as part of the construction works.
- 2.3 The boat owners have indicated the need for car parking and storage sheds to enable continued residential occupation of their boats during the construction period. The project will work with the contractor to establish alternative facilities during construction.

This includes the potential use of land owned by Greenhills immediately north of Cassio Wharf on a temporary basis during construction.

- 2.4 Once completed the operation of the railway across Cassio Wharf will not result in the loss of moorings but it will have an effect on the residential amenity of boats moored beneath it. The viaduct will be approximately 12.7 metres wide as compared to the maximum length of a narrow boat of some 21.9 metres. There will be some shading effect for the boat moored beneath it. There will be an increase in noise levels for boats moored in the vicinity of the viaduct. Some or all of the three boat owners within the Limits of Deviation may choose to relocate elsewhere. If this occurs then the view of the project is that there would be no net loss of moorings as they would be suitable for use by leisure vessels. If the value of Mr and Mrs MacDonald's interest is reduced by the effect of the viaduct on the moorings this would be dealt with by the Compensation Code.

**Mr Morris:**

**3 Working times**

- 3.1 The working hours are set out in the draft Code of Construction Practice in the ES and will be agreed with (and enforceable by) the local planning authority through the planning conditions.

**4 Unattended buildings and access**

- 4.1 In relation to Mr MacDonald's comments on these the project is able to confirm that: during construction:
- any unattended buildings (within the limits) will become part of the secure site compound.
  - Any valuable items (cars etc) will be stored securely (either on the site or off site), details to be agreed.
  - Vehicular access will maintained except for specific construction activities. We will provide advance notice. Beggars Bush Lane will need to be closed for periods of time during construction so that a safe working area is provided for construction workers. This will also ensures that members of the public are protected from the construction activities. The time and duration of any closure will be clearly notified by signage and/or letters to all affected parties. Where appropriate alternative diversion routes will be identified and signed.

**Mr Reid:**

**5 Wharf being forever onwards in the shade**

- 5.1 The suggestion that the wharf will forever onwards be in shade does not reflect the position that would result from the introduction of the viaduct as proposed. There would be an increase in shading beneath and immediately north of the viaduct and most noticeably during periods of brighter and sunny weather. This would serve to extend the influence of the shading already associated with the existing railway bridge but will not affect the whole of the wharf as implied in the concern raised in Mr Macdonald's letter.