

**COST AND RISK REVIEW**

**CROXLEY BUSWAY ALTERNATIVE LINK**

**AUGUST 2007**

**Prepared for:**

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## Executive Summary

- Mouchel Parkman was commissioned to produce an estimate for Steer Davis Gleave's bus based, low cost option.
- To clarify the scope of estimate we produced a Design Specification Report for the low cost option.
- We have used the experience of those with most knowledge of the various elements of the scheme to build up the estimate.
- A risk assessment exercise has been undertaken and is included in this report.
- A land value exercise has been carried out and included in this report.
- Our estimate is (assuming construction starting in 2011):-
  - Main Works    £18,332,000
  - Land            £4,000,000
  - Risk            £3,237,000
  - Inflation      £8,310,000
  - Total           £33,879,000
- The above figure exclude for the following item which are to be separately priced for and added by Hertfordshire County Council:-
  - VAT
  - Other Services costs in relation to the public inquiry
  - Design and Supervision Costs
  - Third Party Compensation Claims



# **1 Introduction**

## ***1.1 Scope of Report***

Hertfordshire County Council, as part of their overall transportation studies for the county, have identified the Croxley Rail Link (between Watford Junction and Croxley Green) of major importance in improving future transport links within the county. The low cost option for this scheme involves providing a bus route from Croxley Station to Watford Junction Station.

Mouchel Parkman was commissioned in May 2007 to produce an estimate of the low cost option based on Steer Davis Gleave's low cost option proposal. In order to clarify the nature of this scheme Mouchel Parkman produced a 'design specification' to accompany this estimate.

## **1.2 Scope of Project**

The Croxley Rail Link is a proposed extension of the London Underground Limited (LUL) Metropolitan Line to Watford Junction via Watford High Street on the disused Croxley branch line. An alternative low cost option of providing a bus link between Croxley Metropolitan Station and Watford Junction Station has also been developed and this forms the scope of the Busway project. The middle section of the route would operate along the currently disused railway as a dedicated busway, feeding onto the normal road network at either end. Substantial bus priority measures would be implemented in Watford Town Centre to enable the vehicles providing the service a reliable journey time through this congested area. A further peak hour service would operate between Watford Junction Station and Croxley Business Park.

Some key facts on the scheme are:

- The length of new unsegregated busway along the disused Croxley Branch Line is approximately 2.3km. The total length of the bus based scheme is approximately 5.5km.
- The stops served on the bus based option would be Croxley Metropolitan Station, Sycamore Approach, Ascot Road, Watford West, Vicarage Road, Wiggshall Road, Exchange Road (NB)/ High Street (SB) and Watford Junction Station. Ascot Road, Watford West, Vicarage Road and Wiggshall Road stops would be new stops constructed on the busway, with all the remainder on the existing highway network.
- The existing Metropolitan Train Line service frequency between Watford and Central London of 6 trains per hour would continue to operate as it does at present. The bus service would reflect this service frequency and be timed to connect with the trains to and from central London.
- The facility will provide a high quality of service with modern vehicles and stops which will be clearly branded and be accessible to those with mobility impairments.
- Bus Priority measures would be provided through Watford Town Centre to allow bus link vehicles to pass through this congested area with a minimum of disruption. These measures are described in greater detail in the 'design specification' report.

## 2 Methodology

The methodology for establishing a cost estimate for the scheme was as follows:-

- To identify the full scope of the Construction Works as far as is possible and produce a 'design specification' for the scheme.
- To produce an estimate for the construction and other works using specialist teams and experienced quantity surveyors.
- Use of previously developed schemes to price elements that correspond with these.
- A risk register has been produced to highlight the main uncertainties to the project.
- A figure for inflation has been calculated to bring the estimate up to the construction year.
- A specialist land valuer has calculated the value of the land

The output from the above exercises has been consolidated into the table shown in Appendix A entitled Preliminary Estimate. Appendix B shows the risk register. Appendix C is the land valuer's report.

## **3 Estimate of the Works**

An assessment of the cost of the scheme has been produced using a collection of estimates from those who were most experienced with the different elements of the scheme. The principal focus of this exercise was on evaluating the construction costs; however consideration was also given to assessing the operation cost of the service too.

Below is a summary of the thought process in compiling the consolidated estimate.

### ***3.1 Busway Construction Costs***

The majority of the works are on the currently disused railway. The Mouchel Parkman quantity surveyors used their database of returned tenders to estimate the civil and highway elements of the scheme. Advice was sought from Hertfordshire Highways Traffic Signals Unit about costs of the traffic signals and CCTV sections, which they estimated from their similar recent schemes. Further guidance was obtained from the Hertfordshire Highways Intelligent Transport Systems (ITS) Client about the ITS elements of the scheme and likewise from the Street Lighting and Quality Bus Stops Teams at Hertfordshire Highways too.

Four stops, each with two shelters fitted out have been assumed for the busway section.

### ***3.2 Other Construction Costs***

Nine existing bus stops will need to be upgraded on the existing network. Seven locations through Watford Town Centre would need upgrading with bus priority measures as described in the Design Specification Report.

The cost of the bus lane has been based on four projects, the most recent of which is in Harlow which is currently under construction. These schemes produced a cost of £1.5-2M/km for bus lane. Given the urban and congested nature of Watford the top end figure has been used.

Also included is the provision of the driver's facilities at Croxley Station. The CCTV and other telecommunication systems would be modified and linked to the Herts Highways Control Room, and a figure is allowed based on a previous similar link up.

### ***3.3 Land Costs***

Lambert Smith Hampton (LSH), Hertfordshire County Council's professional land valuation support partners have considered the costs associated with acquiring the land for the dedicated busway. They have also made an allowance for (Part 1) claims from residents of properties backing directly onto the disused railway line. This is for increased noise and vibration disruption. Details of their report can be found in Appendix C.

### **3.4 Inflation**

Prices have been estimated for the first quarter of 2007/8. Inflation has then been added to bring the estimate up to the assumed construction period of first quarter of 2011/2 to the third quarter of 2012/3.

### **3.5 Annual Running Costs**

Hertfordshire Passenger Transport Unit supplied an estimate for the cost of operating the bus service each year. These estimates were based on the county contracting a commercial operator to provide the service given below, with the county taking the commercial risk, but also recovering any fare box revenue.

A second contract would be established between Hertfordshire County Council and Watford Borough Council to clean and maintain the bus stops and other infrastructure. Either included in this contract or a separate one would be the management of the service and building for drivers the Croxley end. The estimates included are based on similar arrangements between the county and borough councils on another local scheme.

#### *Watford Junction – Croxley*

5 buses required to operate a 10 minute frequency with 20 minute running time. Monday to Saturday. 14 hour period. £735,000 per Annum

3 buses required to operate a 20 minute frequency with 20 minute running time. Monday to Saturday. 4 hour period. £126,000 per Annum

3 buses required to operate a 20 minute frequency with 20 minute running time. Sundays and Public/Bank Holidays. 14 hour period. £97,440 per Annum

#### *Watford Junction/Croxley – Watford Business Parks*

2 buses required to operate a 30 minute frequency with 20 minute running time. Monday to Friday. 3 hour period. £52,500 per Annum

Site management and maintenance costs were estimated using the current running costs of a similar high quality local scheme.

Following discussions with the passenger transport industry an inflation factor of 7.5 % per annum was assumed as suitable.

### **3.6 Exclusions**

The figures exclude for the following item which are to be separately priced for and added by Hertfordshire County Council:-

- VAT
- Other Services costs in relation to the public inquiry
- Design and Supervision Costs
- Third Party Compensation Claims (other than the allowance made by LSH for Part 1 claims for properties directly backing onto the disused railway line)

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COST & RISK REVIEW

## Appendix A – Summary of the Cost Estimate

Scheme Element	
<b><u>Busway Construction Works</u></b>	
Site Clearance	340,000
Fencing & gates	194,000
Drainage	666,000
Earthworks	3,369,000
Services / diversions	555,000
Carriageways	1,373,000
Kerbs, Footways and Paved Areas	1,169,000
Traffic Signs	67,000
Lighting and Electrical	575,000
Road Markings	13,000
Traffic Signal	210,000
Demolition of existing railway overbridge at Old Ascot Road	509,000
Demolition of bridge over River Colne	291,000
New bridge over River Colne	554,000
Deck replacement at Cardiff Road	399,000
Deck replacement at South River Colne	264,000
Minor Modifications overbridge at Tolpits Lane	50,000
Minor Modifications overbridge at Vicarage Raod	50,000
Landscaping	500,000
Retaining Walls	277,000
Quality Bus Stop (8 stops) @ £7,000.00 each	56,000
Help points at each bus stop @ £1,500.00 each	12,000
Bus shelter allow for the 3.5m long @ £8,000.00 each	64,000
Real time information at each bus stop @ £7,000.00 each	56,000
Journey planner at each bus stop @ £12,000.00 each	96,000
Allow for street furniture (lump sum)	50,000
CCTV Installation	286,000
<b>Busway Construction Total</b>	<b>12,045,000</b>
<b><u>Other Construction Works</u></b>	
Allow for modification to Herts Highways Control Room (lump sum)	50,000
Upgrading existing bus stops (9 stops) @ £10,000.00 each	90,000
Driver's Facilities at Croxley Station	80,000
Hornets Gyratory Traffic Signals + Contra flow bus lane	1,000,000
Upton Rd Bus Lane + Upton Rd / Exchange Rd Junction Traffic Signals	800,000
Bus Lane on Exchange Road	600,000
Clarendon Rd bus only 'plug' and Clarendon Rd / Beechen Gr Jn Traffic Signals	100,000
Market Street / Exchange Road Junction Bus Priority Upgrade	50,000
Upgrades to the Urban Traffic Control System	150,000
<b>Other Construction Works Total</b>	<b>2,920,000</b>
Preliminaries (22.5%) of Works Total	3,367,000
<b>Works Total (carried over to next page)</b>	<b>£18,332,000</b>

<b>Works Total (carried over from previous page)</b>	<b>18,332,000</b>
Land Costs – Cardiff Road / Wiggshall Railway Yard Site	2,750,000
Land Costs – Ascot Road Junction	1,000,000
Part 1 Compensation Claims	250,000
Risks (from Risk Register)	3,237,000
<b>Scheme Total (2007 Prices)</b>	<b>£25,569,000</b>

<b><u>Base Cost Estimate (2007 Prices)</u></b>	<b>25,569,000</b>
Assume Construction start early 2011	
Inflation factor 2007 - 2011 = 32.5% x Scheme Total	8,310,000

<b>Base Cost (in 2011)</b>	<b>£33,879,000</b>
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<b>Scheme Element</b>	
<b><u>Annual Running Costs</u></b>	
Bus Management	1,037,000
Site Management	240,000
Site Maintenance	70,000
<b>Total Annual Running Cost (in 2007)</b>	<b>1,347,000</b>
Inflation factor 7.5% per annum	
<b>Total Annual Running Cost in Opening Year (2012)</b>	<b>£1,751,000</b>

## **Appendix B – Risk Register**

**CROXLEY BUSWAY LINK**

**RISK REGISTER**

<b>Ref</b>	<b>Risk Description</b>	<b>Probability High / Medium / Low</b>	<b>Impact High / Medium / Low</b>	<b>Maximum Financial Impact</b>	<b>Assessed Financial Impact</b>	<b>Mitigation / Notes</b>
<b>1</b>	<b><u>EMPLOYER'S RISKS</u></b>					
<b>1.1</b>	<b>Scope</b>  Increase in Employer's Scope	-	-	-	-	Estimate based upon current scope of works
<b>1.2</b>	<b>Contract Strategy / Programme</b>  Onerous commercial conditions  Programme Delays	-  -	-  -	<b>2400</b>  2400	<b>1200</b>  1200	Civil works costs based upon standard form of contract. Onerous conditions may effect civil estimate. Assessed financial impact is 2.5% of current estimate  Programme delays will lead to higher inflation costs. Qualify estimate. Estimate set at 1stQ 2011
<b>1.3</b>	<b>Inflation ( Start - April 2011, Handover October 2012)</b>	H	H	-	-	Inflation set for this period.
<b>1.4</b>	<b>Technology / Standards change during project</b>	L	L	-	-	Low probability. No costs effect.

Ref	Risk Description	Probability High / Medium / Low	Impact High / Medium / Low	Maximum Financial Impact	Assessed Financial Impact	Mitigation / Notes
1.5	Provision of Professional services.	-	-	-	-	Evaluated and dealt with outside this estimate
2	<b><u>SITE RISKS</u></b>					
2.1	<b>Ground Conditions / Ground Water</b>	M	M	<b>800</b>	<b>450</b>	
	Dewatering costs			100	50	Carry out site investigation to determine level of dewatering at structure locations
	Removal of obstructions			175	100	Carry out site investigation
	Uncertainty relating to the condition of embankments and cuttings			100	50	Carry out investigations
	Settlement of new embankment			150	75	Carry out site investigation. Design ground improvement as required and construct early in the programme
	Can not reuse ballast - import more stone for capping			100	50	Ballast can not be reused due to contamination/crushing properties
	Other unforeseen ground conditions			175	125	
2.2	<b>Contaminated Ground</b>	M	M	<b>175</b>	<b>75</b>	
	Disposal of contaminated material from existing earthworks operations			175	75	Carry out site investigation to determine level of contamination. Disposal of hazardous material where necessary

Ref	Risk Description	Probability High / Medium / Low	Impact High / Medium / Low	Maximum Financial Impact	Assessed Financial Impact	Mitigation / Notes
<b>2.3</b>	<b>Access</b>	L	L			
2.3.1	Bus	-	-	-	-	Included in cost estimate
2.3.2	Civils	-	-	-	-	Included in cost estimate
<b>2.4</b>	<b>Environmental</b>	L	L	<b>350</b>	<b>175</b>	
	Vegetation clearance			50	25	Carry out survey
	Environmental constraints associated with vegetation removal including SSSI risks			150	100	Carry out survey and consultation with relevant bodies
	Species relocation.			150	50	Until survey is carried out this is an unknown.
<b>2.5</b>	<b>Land Costs</b>	L	L	-	-	Included in cost estimate
<b>2.6</b>	<b>Restricted Working Hours</b>	L	L	-	-	Included in cost estimate
<b>2.7</b>	<b>Building over live roads, rails etc</b>	L	L	-	-	
	Traffic management					Included in cost estimate
	Restricted site access					Included in cost estimate
<b>2.8</b>	<b>Unforeseen services</b>	M	M	<b>430</b>	<b>290</b>	
	Bring site services onto site			80	40	Early consultation with STAT's

Ref	Risk Description	Probability High / Medium / Low	Impact High / Medium / Low	Maximum Financial Impact	Assessed Financial Impact	Mitigation / Notes
2.9	Way leave issues	M	M	75	50	Early consultation with landowners.
	Diversion of existing services			175	125	Cost of diverting existing services not shown on drawings
	Repairs to existing services			100	75	Carry out condition survey of existing services
	<b>Interfaces to existing roads / paths / drains / services</b>			<b>60</b>	<b>30</b>	
<b>3</b>	<b><u>DESIGN RISKS</u></b>					
3.1	<b>Design development</b>	H	H	<b>2694</b>	<b>987</b>	
	Tolpits Lane Overbridge - one way running under bridge not be granted - cut back abutment faces, and route footway over structure otherwise rebuild bridge			700	90	Mitigation is to cut back abutment faces. Maximum risk is to rebuild the bridge if narrowing busway under structure is not permitted
	Tolpits Lane Overbridge - Provision of metal safety fences on road approaches and over bridge decks if cutting back the abutment faces, or one way running are permitted			30	30	If P6 parapets are not required metal safety fences will be constructed on road approaches and over bridge. If P6 parapets are required the bridge deck will need to be reconstructed. These costs are included in the rebuild costs
	Unknown buried services on overline bridge decks to be replaced			200	100	Carry out services survey

Ref	Risk Description	Probability High / Medium / Low	Impact High / Medium / Low	Maximum Financial Impact	Assessed Financial Impact	Mitigation / Notes
	Vicarage Road Overbridge - Provision of metal safety fences on road approaches and over bridge decks			300	30	If P6 parapets are not required metal safety fences will be constructed on road approaches and over bridge. If P6 parapets are required the bridge deck will need to be reconstructed.
	Culvert - May need infilling with concrete if it is in poor condition and is not redundant			10	10	Carry out condition survey and also check if it is redundant
	General design development			1454	727	General changes to design through the design development process. Assessed financial impact represents 5% of the base estimate
<b>3.2</b>	<b>Safety / other requirements for bus operators</b>	M	M	<b>80</b>	<b>30</b>	
<b>4</b>	<b><u>THIRD PARTY RISKS</u></b>					
<b>4.1</b>	<b>Planning / public enquiries</b>	H	H	-	-	Estimate assumes a start date of April 2011. Scheme is likely to attract attention.

Ref	Risk Description	Probability High / Medium / Low	Impact High / Medium / Low	Maximum Financial Impact	Assessed Financial Impact	Mitigation / Notes
<b>5</b>	<b><u>OTHER RISKS</u></b>					
<b>5.1</b>	<b>Local Market Conditions</b>					
5.1.1	Civils	L	L	-	-	
5.1.2	Rail	L	L	-	-	
<b>5.2</b>	<b>Government Legislation</b>	-	-	-	-	Changes in future government legislation are excluded form this estimate
				6989	3237	



# Appendix C – Land Costs Estimate

## Valuation Report

On

**Watford-Croxley Rail Link /  
Guided Bus Link  
Watford  
Hertfordshire**

On behalf of

**Hertfordshire County  
Council**

**County Hall  
Pegs Lane  
Hertford  
Herts SG13 8DN**

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Date: 22 January 2008

Our Ref: SA/SO/IH/

22 January 2008

Hertfordshire County Council  
County Hall  
Pegs Lane  
Hertford  
Herts SG13 8DN

For the attention of Mr Paul Marriott

Dear Sirs

## **WATFORD-CROXLEY RAIL LINK / GUIDED BUS LINK**

### **Instructions**

Hertfordshire County Council (HCC) has been examining proposals to provide a transport solution for the West Watford Corridor for some significant period. It is now satisfied that the Watford - Croxley Rail Link is the most appropriate solution and has made a bid for funding the Link.

It is understood that the decision on funding was deferred because the Department for Transport required more time to understand the business case for the Rail Link in greater detail and satisfy itself that this is in fact, the best option. One of the options that the Department for Transport would like explored in more detail is the conversion of the former Croxley Green Branch Link into a guided bus way.

Accordingly, HCC have requested that Lambert Smith Hampton (LSH) provide updated valuation advice in relation to the potential acquisition of the relevant land from British Railways Board (Residuary) Ltd (BRB), together with any additional compensation issues arising, assuming the land were to be acquired under compulsory purchase powers.

There are considered to be three likely approaches that BRB could take when considering the disposal of the Branch Line land.

- 1) Transfer ownership to HCC for the guided bus link at little or no cost in support of the transportation 'greater good'.
- 2) Sell the land for the guided bus link at a cost that reflects the developable value of that land.
- 3) Sell the land for the guided bus link at a proportion of the development value of any adjoining land, having particular regard to the Cardiff Road/Wiggenhall Rail Yard development site which is adjacent to the link at the Eastern end.

LSH have been requested to provide estimates for options 2 and 3 above.

### **Basis of Valuation**

Our report takes the form of early advice and estimates of value in advance of potential acquisition and as such is exempt from the usual requirements of the Valuation Standards of the Royal Institution of Chartered Surveyors (The Red Book).

In arriving at our opinions of value we have relied upon plans and other information supplied by Hertfordshire County Council, in particular drawings referenced 2/060/TWA/GEN/DRG (01/02/03/04), dated January 1995 and 749583/002/005-6.

Our report and advice is based on the following special assumptions:

- We have not been provided with precise details and measurements in relation to the extent of the land to be acquired nor have we been able to calculate precise land areas from the plans provided. We have therefore relied upon the approximations as previously agreed with HCC and detailed below;
- The freehold interest in the former rail link is currently vested in BRB and is available with vacant possession;
- The highway tie-ins at either end of the proposed bus way will be simple traffic signal controlled 'T' junctions as indicated on the plans provided;
- Values do not reflect a special purchaser;
- The land is available by private treaty and not by auction or tender;
- No Tenancies, covenants or other significant rights liabilities that fetter the land;
- No assumption is made in relation to the additional costs of site remediation.

### **Compulsory Purchase**

It is likely that HCC would be the acquiring authority in the event of a Compulsory Purchase Order (CPO) being promoted. In all likelihood, the relevant compensatable heads of claim for a CPO would need to be considered if HCC were the acquiring authority and we have therefore had regard to these issues in arriving at our opinions of value.

### **Title**

The former Sun Printers site at the western end of the Croxley Rail link is now fully developed and there will be no requirement to add any further land to the scheme.

The title at the eastern end of the rail link is believed to be in the hands of Watford Borough Council and the Cardiff Road/Wiggenhall Rail Yard area is allocated as a regeneration site for extensive mixed use development.

### **Pollution**

The use of the land at the eastern and western ends of the rail link, together with the rail link itself, are likely to have brought materials which will be classed as contaminants onto that land. Specifically, the use of the land at the former Sun Printers works is likely to

contain a range of petrol and diesel hydrocarbons as well as a number of other chemicals involved in the printing process.

It is at present unknown whether or not there is any long term threat to the land or controlled waters beneath the site at either end of the rail link. No account of potential remediation costs has been taken in our valuation.

### **Planning Obligation Agreement**

There have been no indications that there are any Section 106 contributions currently secured in relation to this scheme. Whilst a vehicular link between the eastern and western land areas may provide an improvement in the transport network, a guided bus link would make no significant difference to the values of these areas of land.

### **Description of land to be Acquired**

There are three main areas of land concerned which are summarized below:

#### **Area 1 - Land required at the western end of the route**

It is proposed that the bus link would 'tie-in' at the western end to the new Ascot Road via a 'T' junction. The plans provided indicate this to be achievable within the site of the existing BRB land. Additional land will, however, be required in relation to the creation of a new terminal and associated car parking.

#### **Area 2 - The Land Comprising the Link Itself (The Former Branch Line)**

The length of this area of land is approximately 2,000 metres, with an average width of around 6 metres. This gives a land take of around 12,000 sq m, but in addition there are various cuttings and embankments which would need to be acquired, but would have no additional value. They would, however, have a cost implication for maintenance which we anticipate would equal or outweigh any potential value.

#### **Area 3 - Land Required at the Eastern End of the Route**

The proposed deviation to the guided bus route necessitates the acquisition of a strip of land within the Cardiff Road/Wiggenhall Railway Yard regeneration site. We have assumed a strip of land of approximately 10m width and 300m length would be required together with additional land to facilitate a new terminal and associated facilities including car parking. We have therefore assumed that approximately 5,000 sq. of potentially developable land would be lost.

### **Land Values**

Since the date of our earlier report, commercial land values have improved steadily throughout the regional market. Whilst there is potential for land values to fluctuate significantly dependent upon the nature and density of planning consents granted, we estimate speculative development land values for industrial purposes currently stand at around £2,500,000 per hectare.

Good quality industrial development land close to major transport interchanges has achieved prices in the region of £3,700,000 per hectare.

These values may increase significantly for mixed use development with speculative residential development land potentially achieving prices up to around £7,500,000 per hectare.

The Cardiff Road/Wiggenhall Railway Yard site has been identified for mixed uses potentially including offices, industrial, healthcare and residential elements. Average land values for the site are therefore anticipated to be in the region of £5,000,000 to £6,000,000 per hectare.

## **Valuation**

**Option 2** - Acquire the land for the guided bus link at a cost that reflects the developable area of that land.

The land itself has limited development potential in isolation due to the problems of gaining access from the public highway. The only alternative means of access would be to enter into partnership with the adjoining landowners.

The route of the branch line has potential as a pedestrian walkway or cycleway, albeit that the costs of maintenance and construction of this route are expected to be prohibitive to an organisation without significant additional funding due to the long-term bridge and embankment maintenance issues. There may also be some potential for cable operators and utility suppliers to make use of the land for which a nominal sum may be payable.

For the purposes of a CPO the acquiring authority is not permitted to take into account the affects of the CPO when valuing the land to be acquired. Therefore, if promoting a CPO to acquire this land from the BRB for the purposes of a guided bus route, we believe it unreasonable to suggest that this land has a value in isolation due to the restricted access. It is reasonable to suggest, however, that the land has development potential in conjunction with adjoining land owners.

In isolation, therefore, we consider the land has no significant value due to the above access and maintenance issues and Option 2 is not therefore considered to be viable.

**Option 3** - Acquire the land for the guided bus link at a proportion of the development value of the adjoining sites, having particular regard to the Cardiff Road/Wiggenhall Railway Yard site at the eastern end of the proposed link.

The proposed tie-in at both Ascot Road and Wiggenhall Road necessitates the acquisition of land beyond the ownership of BRB, presumably with CPO powers, for which full Market Value will need to be paid.

Having regard to the above, our valuation is as follows:

**Area 1 - Cardiff Road / Wiggshall Railway Yard Site**

£2,750,000 (Two million seven hundred and fifty thousand pounds)

**Area 2 - The Existing Rail Link**

Nil value due to the limited development potential of the land and significant long term maintenance costs together with the cost of removing existing station facilities.

**Area 3 – Ascot Road Junction**

£1,000,000 (One million pounds)

The above figures do not take into account potential liabilities in relation to site remediation and make no specific allowance for the cost of maintenance of bridges and embankments. It is possible that the land forming the rail link itself has a negative value due to the lack of development potential and potentially significant long-term maintenance costs as described above.

In addition, we would advise that there are approximately 100 houses that could potentially make a claim under Part One of Land Compensation Act as a result of increases in noise, dust and fumes, created through what will be a public scheme.

It is understood that the previous use of the rail link was on a very limited basis (usually one or two trains a day at maximum) and a guided bus link could significantly increase vehicular traffic. However, it may be that the proposed guided buses would run on rubber wheels which would generate very limited levels of noise and, if running through an electric supply, would create very little fumes and other pollution.

We have therefore included the sum of £250,000 for Part One claims, this being based on a potential diminution in value of the freehold interest in the 100 houses identified based on a rate of 0.5% - 1% of their potential market value.

**Summary of Acquisition Costs**

Land acquired	£3,750,000
Part One Claims	<u>£ 250,000</u>
Total	£4,000,000

Please note the following assumptions when using this information.

- The estimates are Class A (ie: there are a number of factors unknown in terms of the site's full potential and the planning consents that could be made on those sites)
- No additional site inspections have been undertaken since the date of the original Amey Services report. It is not possible at this stage to ascertain whether clean-up works might be required by BRB to take possession of the former branch line and therefore some reasonable judgements will have to be made in the circumstances (ie: removal of utilities, platforms, signalling, track, etc), and these costs have not been included in the valuation.
- The interest is to be valued freehold with vacant possession except where otherwise stated.
- These figures are valid for three months from the date of this report.

### **Limitation of Liability/Publication**

This valuation report is provided for the stated purpose and for the sole use of the named client. It is confidential to the client and his professional advisers and the valuer accepts no responsibility whatsoever to any other person.

Neither the whole nor any part of this valuation report nor any reference hereto may be included in any published document, circular, or other statement, or published in any way, without the valuer's written approval of the form and context in which it may appear.

We trust this report and advice is sufficient for your present purposes. However, should any further comment or clarification be required, or should a formal valuation of the land be necessary in due course, we will be pleased to hear from you further.

Yours faithfully

Stephen Oakey BSc (Hons) MRICS

Associate Director

**For and on behalf of**  
**LAMBERT SMITH HAMPTON**