



COSTINGS AND VIABILITY
FTC TOPIC PAPER NO. 5



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Introduction

1. According to the Stantec report, the Eastern Bypass (referred to in the Draft Local Plan as an “Eastern Movement Corridor”) is reported as costing between £91.7 to £103.6 million as of November 2021. The preferred route is by far the most expensive. However, this high level feasibility study did not even begin to address many of the additional costs associated with the preferred route and further proper assessment has not been made.
2. Furthermore, since this report was issued the construction industry has seen unprecedented rises in costs due to inflation. Therefore, we believe it is only sensible to reassess the cost of this road and apply some logic as to the actual cost when Canterbury City Council is looking at building this link around 2040/2045. There has been no updated assessment.
3. But even for its time, the original valuation from Stantec was unrealistically low.
4. The work in this Topic Paper is not a substitute for the work which CCC should but has not carried out. It does demonstrate that the costs have been grossly underestimated such that if the currently preferred route were to be selected its viability would seriously be in question. In any event, a delay to the Eastern Bypass would see the Draft Local Plan’s transport strategy fail.

Costings

5. Kent County Council has reported that the last cost to form the Sturry Relief Road, which is approximately 0.9 miles in length, stands at £30 million. The Sturry Relief Road has an elevated section that uplifts the cost of the road by approximately £7.5million, so for a standard road section, this would equal

£22.5 million. This cost was reported at the end of 2021, prior to the 2022 inflationary pressures.

6. As reported in Construction News in August 2022, in the first quarter of 2022 bitumen-based road surfacing rose by 21% alone. Considering this only forms part of the construction of the road, it would be reasonable to reduce the overall uplift by 11% as per the general reported inflation rate. Therefore 0.9 miles of standard road will cost in the region of £25 million allowing for an 11% inflationary uplift which equates to £27.7 million per mile.
7. The preferred route of the Eastern Bypass is approximately 3.9 miles long so using the £27.7 million per mile rate would equate to £108 million to construct the road. This does not take into account the additional junctions that the Eastern Bypass requires which the Sturry Relief Road does not.
8. The survey costs as reported by Stantec stand at between £1.5 to £1.7 million. Budget costs are generally based on a percentage for surveys and fees, it is fair to adjust these to suit. A budget of 2.5% would allow for a survey cost of £2.7 million.
9. Professional fees as reported by Stantec stand at between £19.6 to £20.4 million. This equals 31%, so based on the value of £108 million equates to £33.5 million for fees.
10. The Total for Land and Compensation Charges is valued at between £13.8 to £16.0 million. This is a difficult figure to assess, so we will leave it at this level for comparison purposes.
11. Therefore, adding the revised figures together, we get to a total figure to construct the Eastern Bypass of £160.2 million if built with immediate effect.

12. Considering we also now understand this road will not be constructed for around 10- 20 years it would be prudent to uplift the cost by inflation to provide a more accurate value. To get to this, we have taken the Bank of England's prediction for inflation to the end of 2023 as 5% and then the average over the last 20 years of 2.7% for the following 19 years. Therefore, the possible cost of the Eastern Bypass when it is finally built, perhaps in 2043, would be £279 million.
13. The above costs do not include the probable stoppages that will occur with the discovery of archaeological artefacts that would likely be discovered in the 1-mile section that traverses Fordwich (see Archaeology FTC Topic Paper No.4). There does not appear to be any consideration for the section of road that will cross the flood zone area close to the junction of Sturry Road. There has also been no consideration of the complexities at the former landfill site, nor of any mitigation for protected species and habitats which has not been assessed terms (see Landscape and Ecology FTC Topic Paper No.8), or for how severance of existing paths and cycleway would be addressed in construction terms (see Footpath and Cycleway FTC Topic Paper No.2). Nor is there any consideration of how the cut rural lands in the south of Fordwich will be addressed in construction terms (see Landscape and Ecology FTC Topic Paper No.8).

Conclusion

14. In conclusion, the possible cost of the Eastern Movement Corridor in 2043 could be close to £300 million or even more when matters not even addressed have been added.
15. It does demonstrate that the costs have been grossly underestimated such that if the currently preferred route were to be selected its viability would seriously be in question. In any event, a delay to the Eastern Bypass would see the plan's transport strategy fail.