STONEHENGE ALLIANCE CAMPAIGN UPDATE

Stonehenge road scheme costs have ballooned





Our banner outside the Royal Courts of Justice got it wrong. The cost for 12km of road would not cost £2.5bn but at least £3bn at today's rates. More probably a whole lot more.

A long read to reveal the real cost of building 12km of road. Or read it on our website.

£1.7bn? Who are they kidding?

The much vaunted "£1.7bn" cost for the Stonehenge road scheme is many years out of date.

When the scheme was first announced in 2014 the price tag was £1.1bn. By the time the A303 Stonehenge scheme was presented to the Examining Authority in 2019 the budget had ballooned by 65% to £1.7bn, excluding VAT, during a period of low inflation. Five years on, despite inflation hit Britain, National Highways, supported by Department for Transport, continues to misleadingly promote the "£1.7 bn" price tag in the press. [1]

Our freedom of information request in 2022 revealed a similar amount to the parliamentary answer received by Devizes MP, Danny Kruger last month. This was an estimate of £1.9bn based on starting construction in 2021, a figure that had been calculated in 2018, an amount that misleadingly did not take inflation into account. When the annual maintenance costs were included it brought the total closer to £2.5bn, the figure used on our banner at our protest last December. [2] [3]

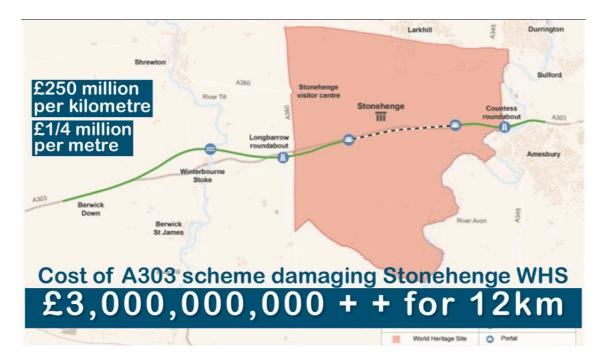
To estimate a more realistic cost in 2024 we need to know when the scheme might start. Now that the <u>Development Consent Order (DCO)</u> has been signed off there is nothing to stop National Highways starting various preliminary works such as archaeological investigations and action to protect species for a site of the highest archaeological and ecological value. These are starting Spring 2024 and could take

between 12 to 20 months. Thus, if the decision-making has not been found to be faulty by the courts, the Stonehenge project could start in earnest (i.e. the main works) in winter of 2025, with an optimistic 'open for traffic' five years later i.e. 2030.

Using National Highways' inflation rate for 2025/26, our best estimate is that this road will **cost at the very least, £3bn for 12km of road, i.e. £250m per km, or quarter of a million pounds per metre.** Bearing in mind the engineering risks this is a very conservative estimate, falling as it does midway between National Highways' upper and lower estimates. [2] [3]

Our estimate broadly reflects the National Audit Office's assessment of the scheme's business case undertaken in 2019. Based on their 2016 prices, the NAO quoted National Highways' estimated bracket of £1.5bn to £2.4bn, and considered the likely cost to be £1.9 billion.

The Devizes MP is chasing the Department for Transport for the true, up to date, cost. Whilst waiting for a parliamentary answer, our best guess is 'at least £3bn', but we expect more duplicity and deflection from the Department for Transport. [4] [5]



When could the road project be ready for traffic?

Given that the scheme really does go ahead, our view is that 5 years is a substantial under estimate:

- All the evidence suggests that National Highways has understated the potential technical, archaeological and environmental effects of the proposed scheme.
- The **engineering challenges** through the unique, complex Stonehenge chalk landscape and ground water conditions are considerable. [6]
- The hazards encountered by the HS2 construction that pushed up costs and caused long delays, could be replicated at Stonehenge, but with the added

dimension of a **sensitive archaeological landscape.** Remarkable discoveries at Stonehenge have almost become a common place. It's a clear case of known unknowns in this World Heritage Site. [6] [7]

 Bearing in mind National Highways' track record for optimism bias, experience of dualling the 3 mile stretch of the A303 between Sparkford and Ilchester (a relatively straight forward stretch in Somerset) confirms this. That scheme has been delayed by 12 months due to heavy rain and "unforeseen issues" related to protected species. Thus for the more complex Stonehenge scheme, the delays could run into years. [8]

A frequently asked question is: "what are the chances of Wiltshire joining HS2 and Hinkley Point landmark examples of uncontrollable costs?" We have been warned by those with considerable experience in major construction that whatever the cost is today, it will end up costing twice as much, what ever the finish date, double it.

"The tunnel at Stonehenge is currently only just value for money by the Department's own business case. Based on experience, project costs tend to grow rather than fall, at least in the early years. It will take a very special effort by the Department [for Transport] to protect public value up to completion." Warning from the then head of the NAO, Amyas Morse, now Lord Morse, 20 May 2019.



<u>CLICK HERE TO TAKE</u> <u>ACTION:</u>

Tell your MP, and parliamentary candidates, that you will only vote for them if they stop Government wasting money on big damaging road schemes which are making things worse. They should commit to spending on climate friendly transport instead.

NOTES AND REFERENCES

- 1. Original estimates: When announced on 1st December 2014 the reported budget for the Stonehenge short tunnel varied between £1.1bn and £1.2bn: e.g. <u>Salisbury</u> <u>Journal</u> and <u>ITV, The Guardian</u> however reported David Cameron planned to spend £2bn on all three of the eight A303 corridor schemes. One of the three schemes has been withdrawn and the prospect for the remaining five look doomed.
- 2. <u>Parliamentary Question</u>12 March 2024 to the Department for Transport A303: Stonehenge by Danny Kruger MP (Devizes):

• To ask the Secretary of State for Transport, if he will make an estimate of the (a) (i) previous, (ii) future and (iii) total costs for the construction of the A303 Stonehenge road scheme between Amesbury and Berwick Down and (b) annual maintenance costs over the next 60 years in present day values; and whether contractual penalties exist if the scheme is (A) cancelled and (B) subject to serious construction delays.

Parliamentary Answer 21 March 2024, by Guy Opperman MP (Hexham), Parliamentary Under-Secretary of State for Transport:

- Construction costs: In 2017, when the Outline Business Case was approved, the construction costs estimate range for the project was between £1.1bn to £2.5bn, with a central estimate of £1.6bn. This was predicated on starting construction work in 2021 and the project being delivered under the government's Private Finance 2 model (PF2).
- In 2018, the estimate was updated following the cancellation of PF2. The revised cost estimate ranged between £1.5bn to £2.8bn, with a central estimate of £1.9bn. This was predicated on a start of works in 2021 and public funding.
- Maintenance costs: Based on 2019 prices, National Highways will need to make provision for operations, maintenance and renewals costs of approximately £8m per annum (plus inflation) over a 60-year operating period.
- **Contractual Penalties:** There are no contractual penalties if the project is cancelled or delayed, but National Highways would need to agree compensation events relating to the costs of delay and inflation.
- 3. National Highways cost estimates (SA member, FOI, 2022):

The tables below show a £1.992bn capital cost (at 2021 rate including non-recoverable VAT) lus £453m operation maintenance and renewal costs (at 2019 rate). When both totals are brought into line with the 2021 rate, the total would have been around £2.5bn.

Capital investment costs - National Highways cost estimate	£million
2021 Q3 prices	1,992
Deflated to 2010 prices	1,204
Discounted to 2010 values	721
PVC - Market price adjustment 2010 prices and values	858

Operation, maintenance and renewal costs - National Highways cost estimate	£million
2019 Q1 prices	453
Deflated to 2010 prices	408
Discounted to 2010 values	85
PVC - Market price adjustment 2010 prices and values	101

4. See para 14, page 8 "Improving the A303 between Amesbury and Berwick

Down", National Audit Office, May 2019

- 5. For a briefing on the method applied to calculate the scheme's value for money, see The Mole Report: Stonehenge road scheme doesn't add up.
- 6. See section 5 by Dr George Reeves, April 2022, <u>Submission on Geological</u>, <u>Geotechnical and Hydrogeological Reports issued by National Highways (formerly Highways England) in response to the Secretary of State's Statement of Matters for <u>The Stonehenge Alliance (Reference No. 2001870)</u></u>
- 7. Such as <u>The Mystery of the Durrington Pits</u> (University of St Andrew, 9 December 2021)| <u>Blick Mead: Exploring the 'first place' in the Stonehenge landscape</u> (Current Archaeology, 1 February 2017)
- 8. Gillingham News, 19 January 2024, <u>"Protected species and bad weather delay major A303 upgrade by up to a year"</u>
- 9. Open Access Government, 3 April 2024, Network Rail's £2.8 billion climate crisis investment

SNIPPETS

* ADAPTING RAIL TO CLIMATE CHANGE WILL COST £2.8bn

There are plenty of suggestions for alternatives to spending £3bn on 12km of new road, but this equivalent cost is a priority for all regions of the UK.



Network Rail this month revealed a £2.8 billion climate crisis <u>investment plan for the next five years</u> to strengthen **ALL Britain's rail network** to defend against the effects of extreme weather. All basic stuff such as works to over 20,000 cuttings and embankments to improve defences against weather events, installing CCTV at places with a high risk of flooding, building dams and other essentials to protect against climate-related disruptions. This is probably only the tip of the iceberg in terms of what will be needed and why spending £3bn on a road, making things worse, is exactly the wrong thing to be doing right now.

* CAN YOU TAKE ACTION & SPREAD THE WORD?

Would you like to champion the plight of the Stonehenge World Heritage Site and make sure people who ought to know what's going on?



We can send you copies of our updated folded leaflet for distribution. As a special thank you, distributors will receive a *FREE BADGE* with our logo! Offer only applies to this mailing list. Please email us <u>here</u> where we've added further detail.

* NATIONAL HIGHWAYS STANDARDS HAVE "DIPPED":

This might not come as a surprise, but it's good to know that the Office for Rail and Road (ORR) has noticed that standards have "dipped" and has opened a <u>full investigation into 'recurring issues'</u>. We will wish to draw the investigator's attention to the agency's use of the word 'enhancement' and misleading estimates.

ABOUT THE STONEHENGE ALLIANCE



The Stonehenge Alliance was set up in 2002 to protect the Stonehenge World Heritage Site from further damage. It has campaigned against the current road scheme since its inception in 2014. It is appalled by the Government's decision to go ahead with the short tunnel and road widening project in the face of:

- strong advice from its Planning Inspectorate not to proceed,
- UNESCO's World Heritage Committee's condemnation, and
- the High Court's quashing of the scheme in 2021.

The Stonehenge Alliance is supported by Ancient Sacred Landscape Network; Campaign to Protect Rural England; Friends of the Earth; Rescue, The British Archaeological Trust; Transport Action Network and many individuals worldwide.

THE INTERNATIONAL PETITION against the road has reached over 238,000 signatures. **You can sign and share it** here.





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