

How capital costs have been considered as part of East West Rail

At all stages of planning for East West Rail (EWR), we are committed to delivering the best value for taxpayers and returning the most benefit for every pound spent. Cost and overall affordability are key criteria that we use to refine our plans.

Following the route update announcement in May 2023 – which confirmed the alignment of the railway between Bedford and Cambridge and outlined proposed infrastructure for the whole route from Oxford to Cambridge – we’ve worked hard to bring costs down as we’ve developed and refined proposals for EWR. This design development work over the past 18 months has delivered like for like cost savings, compared to the estimate we published at Route Update Announcement.

In parallel, we have identified additional work to enhance the benefits of EWR for strategic reasons, including:

- **Electrification to lower carbon and improve performance** – discontinuous electrification has been included in line with our ambition to be a net zero carbon railway, as well as delivering improved journey times for passengers.
- **Enhanced upgrades on the Marston Vale Line to improve safety and reliability** – we have now included work to replace the signalling system on this section of the line, as it would not be cost effective to repair the old system, and modern signalling integrated with the rest of the line will deliver more reliable train services for passengers. We have also included costs for relocating stations, in the event this option is chosen.
- **Depots to improve the efficiency of railway operations** – since the Route Update Announcement, more maintenance depots have been included as a precaution to ensure more efficient operations, while we refine our thinking on how the railway would be operated.

Including these additional works, like electrification, does inevitably have cost implications. We have, however, been able to use the like for like savings we generated to help fund this work and therefore to limit the cost impact of these key improvements to our proposals.

A table outlining how costs have evolved since the route update announcement is provided below. Figures present capital costs exclusive of inflation, base date: second quarter, 2021.

Description	Cost (£m)	
	Route Update Announcement	Current Cost Estimate
Direct Construction Cost	£1,530	£2,180
Indirect Construction Cost	£730	£850
Total Construction Cost	£2,260	£3,030
Other Indirect Cost	£1,090	£1,090
Base Cost	£3,350	£4,120
Lower Bound Risk Range	£4,460	£5,100
Upper Bound Risk Range	£5,340	£6,060

What's your approach to estimating costs?

Capital costs relate to costs incurred during delivery of a project, such as carrying out construction works and purchasing buildings, land and equipment as opposed to the costs of operating, maintaining or decommissioning the project.

We consider costs such as:

- **Base Construction Costs** – such as civil engineering, stations, track, signalling, land and property.
- **Indirect Costs** – including project management, design, costs of railway possessions and contractor's costs for site set up, welfare and security.

We continue to take a consistent approach to estimating principles and have carried out an update in line with the same approach taken at route update announcement. All estimates have been quantified and priced in accordance with the Rail Method of Measurement published by Network Rail or the New Rules of Measurement published by the Royal Institution of Chartered Surveyors.

Find out more

For more information about the costs we published at the May 2023 route update announcement, please visit:

eastwestrail.co.uk/routeupdate

For more details on latest proposals for East West Rail, please see the Consultation Document here: **eastwestrail.co.uk/consultation2024**

How to get involved



Visit our website - **eastwestrail.co.uk**

You can find the full range of consultation material in accessible and downloadable formats. You'll also find information on how you can respond to this consultation and further details about East West Rail.



Get in touch

You can always get in touch with a member of our team by calling **0330 134 0067** or emailing **contact@eastwestrail.co.uk**