



PRESS INFORMATION



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NATIONAL AUDIT OFFICE QUESTIONS VALUE OF EAST WEST RAIL PROJECT

Cambridge Approaches and BFARe believe the Department for Transport (DfT) claims of EWR-related economic growth involve a dark world of wishful thinking. The onus is on DfT to justify spending vast amounts of public money – another £7-8 billion to go just on the railway construction. We are at least 10 years in to analysing EWR and according to the NAO report, £1 billion has been spent on EWR already. The DfT have had ample chances to plan/ prove the case for this project and they still haven't managed it. They should now be in the last chance saloon, and in a sane world, EWR would have been scrapped long ago.

The National Audit Office (NAO) report on East West Rail¹ found it to be unclear how the value of the project will be realised. Here's how we see the situation in the light of this report.

Rail fares won't fund East West Rail and no hard evidence that it will be a catalyst for growth.

It's clear from the comments made by EWRCo.², England's Economic Heartland and the East West Mainline Partnership³ on the NAO report that even they do not think this railway is viable in itself. It's not about ticket sales. It's all about connecting new houses with new jobs and the claimed £103 billion Gross Value Added (GVA) by 2050⁴. The source of this claim, according to the DfT, is the November 2016 Cambridge Econometrics Report on the OxCam Arc.⁵ Their analysis with locally led planning, included EWR and their model predicted an £85 billion GVA increase in 2011 prices from 2014 to 2050 across the whole area from Oxford to Cambridge. The £103 billion GVA is just an update for inflation to 2021 prices.

The important point is that the Cambridge Econometrics report made no claim that ANY of this GVA increase comes from EWR. Quite the reverse. Nor does the report contain any figures without EWR so we can see the difference.

A Blind Eye to Soaring Costs

The NAO's conclusions about EWR are negative, even without recognising the full effect of inflation on project costs. The estimated cost to completion of the EWR CS1 section (Bicester to Bletchley) is now £1.24 billion. This is 63% higher than the original 2020 cost. The NAO makes no comment on this overspend.

The estimated cost for the EWR CS2/3 sections (Bletchley to Bedford and Bedford to Cambridge) have been updated from 2010 to Q2 2021 and exclude a 20% rise in infrastructure inflation that has since occurred⁶. The NAO and DfT have not included this recent inflation increase.

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EWR will have to be electrified and the NAO points out that an additional £1 billion needs to be added to the quoted construction cost for this.

Ignoring key stakeholders

Across the affected region – and beyond – there are major concerns about agricultural production and water supply. DEFRA is tasked with maintaining food security, and the Environment Agency (EA) has cited water shortage as grounds for objecting to five major housing development plans in the Cambridge area. The NAO approached neither DEFRA nor the EA in compiling their report. The inability for the government to work across departments shows that there is a failure to consider the impact of climate change on major infrastructure projects. Recent examples of court cases the government has lost as a result of their failure to successfully work across departments include the Heathrow third runway and the Stonehenge tunnel projects.

Furthermore, if housing plans are to be locally led, why are local authorities barely included the EWR plans? They are critical to delivering the benefits.

Conflicting Strategies

- The Department of Levelling Up, Housing and Communities (DLUHC) abandoned the Oxford-Cambridge Arc proposal in 2022 and is now driving major growth plans for Cambridge, probably with a new Cambridge mass transit system.
- But the DfT continues to pursue a strategy more aligned with the Oxford-Cambridge Arc.

The NAO report states: “It is not yet clear how aligned these two approaches (DLUHC and DfT) to growth in the region are and whether both can be delivered together.” That’s because they conflict about whether to develop green field sites between Bedford and Cambridge. One resolution recently suggested by the DfT is to do both, however, the latest water infrastructure plans show that the region already needs 3 new reservoirs and 3 desalination plants by the 2040s even without either of these growth plans.⁷

Start from the problem, not the solution.

The NAO report announced the creation of a new Treasury-led EWR Economic Growth Board. How will this Board manage the concerning number of different and uncoordinated government, regional and local growth strategies when DfT has completely failed to produce a business case? The grassroots campaigns of Cambridge Approaches, BFARe, along with local politicians, MPs and local residents believe it is dangerously presumptive to accept EWR as a solution to economic growth in Cambridge.

Local impact and bad communication

The NAO report suspiciously concludes “improved communication and joint working between central government and local bodies is needed” yet they state they did not examine... “infrastructure on the route or the management of the project by EWR Co.” Bedford will suffer a decade of construction blight due to the poor town centre design of the East West Rail route. The residents of Bedford have suffered greatly from the unprofessional and disingenuous EWR Co. project management. They will realise home demolitions, the reconstruction of major transport routes and bridges, relocation of vital hospital parking facilities and very high levels of construction traffic in town and on countryside roads. The construction will turn a huge swath of our beautiful South Cambridgeshire green belt and prime farmland into an area more reminiscent of the battle of the Somme. Years of road and rail disruption particularly for London rail commuters and leave us with a permanent blight - EWR sitting on top the community-dividing “Great Wall of South Cambridgeshire”.

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This significant issue of EWR communication and project management has not been reviewed by the NAO despite important evidence having been submitted by BFAre, Cambridge Approaches, Protect Poets STARC and local government officials. The project management of East West Rail should have not been outside the scope of the NAO review as it demonstrates very poor stakeholder engagement and communication failures as noted in the NAO report conclusions.

Bedford Borough and Cambridgeshire residents demand to be heard. The infrastructure cost, the route selection and the project management process must be properly investigated. Without transparency, another HS2 with spiralling costs is looming and surprisingly, EWRCo. spend their time on media spin rather than properly performing their job.

Quotes

Spokesman for BFAre Mike Barlow said, “For communities that have already suffered three years of project-related doubt and blight, the NAO report is frustrating, to say the least. It’s yet another example of a continuing and widespread determination to accept reality and displays a breath-taking disdain for residents.”

Cambridge Approaches spokesman William Harrold said, “Our views on EWR have been vindicated. The NAO report concludes that it is not clear how the benefits of the EWR project will be achieved or how it aligns to other government plans for growth in the region. If we have to supersize the Cambridge area, government needs to start from the problem and not assume that EWR a solution or indeed the only solution. The impending and critical water shortage in Milton Keynes, Bedfordshire and Cambridgeshire should also be addressed first.”

For further information

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¹ <https://www.nao.org.uk/wp-content/uploads/2023/12/investigation-into-the-east-west-rail-project.pdf>

² <https://www.constructionnews.co.uk/sections/news/east-west-rail-not-yet-clear-how-benefits-of-6-6bn-project-will-be-achieved-13-12-2023/>

³ <https://www.englandseconomicheartland.com/news/eeh-and-east-west-mainline-partnership-chairs-reaction-to-nao-report/>

⁴ <https://hansard.parliament.uk/commons/2023-06-13/debates/7D65D691-B362-4AE2-BD7D-693FE85D0FD8/EastWestRailBedfordToCambridge>

⁵ <https://www.camecon.com/wp-content/uploads/2018/12/CE-SQW-CaMkOx-corridor-report-NIC.pdf>,
baseline scenario.

⁶ [https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/datasets/interimconstructionoutput
priceindices](https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/datasets/interimconstructionoutputpriceindices)

⁷ [https://wre.org.uk/wp-content/uploads/2023/12/WRE-Regional-Water-Resources-Plan-for-Eastern-
England.pdf](https://wre.org.uk/wp-content/uploads/2023/12/WRE-Regional-Water-Resources-Plan-for-Eastern-England.pdf)