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STRATFORD- UPON-AVON LONGER TERM HIGHWAY CAPACITY STUDY

AtkinsRéalis



Delivery Strategy and Cost Refinement Report

Stratford-on-Avon District Council

09 February 2026

Draft 1.0

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This document has 61 pages including the cover.

Document history

Document title: Delivery Strategy and Cost Refinement Report

Document reference: Draft 1.0

Revision	Purpose description	Originated	Checked	Reviewed	Authorised	Date
1.0	Draft	EG, HP	AL	TJ	RD	09/02/2026

Client signoff

Client	Stratford-on-Avon District Council
Project	Stratford-upon-Avon Longer Term Highway Capacity Study
Job number	100120224
Client signature/date	



Executive Summary

Purpose

Stratford-on-Avon District Council (SDC) commissioned AtkinsRéalis to assess delivery, funding and consenting options for a new western relief road corridor (W3). This scheme is being explored further to support the emerging South Warwickshire Local Plan (SWLP). Following the identification of a preferred corridor, this report summarises the following additional work undertaken:

- Further consideration of the W3 Western Corridor cost estimates for three potential option variations.
- A review of land ownership along the emerging preferred route and consideration of land requirements and how these would be acquired in context of above.
- Advice on delivery models for the road (up to and including construction) were WCC not able to deliver it as the highway authority.
- Evidence that could inform the SWLP examination (currently expected during 2027) regarding likely timescales for delivery of the road including technical approval and construction.

A 'Non-Technical Summary (Version 1.0, dated 19/12/25)' was produced prior to this document. It summarises the option identification and assessment process. Whilst a western and eastern corridor were both identified in the shortlisting process, the western corridor (W3) was identified as a higher priority owing to it providing more effective mitigation against the impacts of development at Long Marston (which has capacity for a larger allocation than initially tested for the 2050 Local Plan period).

Need for a scheme

Stratford-upon-Avon has limited highway capacity and constrained river crossings, particularly at Clopton Bridge. Congestion restricts movement within and around the town and limits sustainable development. The adopted 2016 Core Strategy identified the need for a South Western Relief Road (SWRR) to enable more than 400 homes at LMA. Earlier attempts to deliver the SWRR through planning and a 2018 Housing Infrastructure Fund (HIF) bid were unsuccessful. Delivery of the scale of development needed by the SWLP remains dependent on a new relief road.

Western Corridor

Of 35 corridor options assessed during 2025, a western corridor (known as option W3) would run from the A46/West of Shottery Relief Road in the north to Campden Road (B4632) in the south, crossing the River Avon and connecting to the B439 Evesham Road. Compared to other options, W3 scored strongly on policy alignment, engineering feasibility, environmental criteria, and ability to relieve pressure on the western side of the network. W3 specifically supports development at LMA and better connects southern and western growth areas to the A46. A combined east to west solution was ruled out owing to significantly higher cost and delivery risk. W3 therefore represents the most effective, deliverable and strategically important option for supporting long-term planned growth (if significant development at LMA is the preferred growth strategy).

Cost Refinement

As part of the cost refinement exercise, three potential design scenarios were considered. These are based on concept design with the focus on potential variations at connections with the existing road network and the crossing



point over the River Avon. The definition of the options is provided below, along with the base cost (2025 prices). A base cost is the starting estimate of how much a project is expected to cost before adding any extra allowances for risk, uncertainty, or inflation.

Minimum Cost Option	Mid cost option	Maximum cost option
<ul style="list-style-type: none"> • Single carriageway • Simpler connections to existing road network • No futureproofing for potential rail reinstatement along the Greenway • Base cost ~£90m (2025 prices) 	<ul style="list-style-type: none"> • Single carriageway • Futureproofing for potential rail reinstatement along the Greenway • Alternative northern tie-in to the 'minimum' option • Base cost ~£110m (2025 prices) 	<ul style="list-style-type: none"> • Dual carriageway • Futureproofing for potential rail reinstatement along the Greenway • Larger structures and more land • Base cost ~£180m (2025 prices)

Scheme Cost

Large transport projects, like new roads, bridges or rail schemes, almost always end up costing more and taking longer than first expected. The Department for Transport (DfT) has studied more than 2,500 past projects to understand why this happens. Their findings are clear:

- **Early estimates are usually too optimistic** - At the start of a project, promoters tend to assume things will go smoothly, that land can be acquired easily, designs won't need major changes, and construction will progress without delays. In reality, this rarely happens.
- **Risks are highest at the beginning** - The DfT found that the biggest cost overruns and delays occur when a project is still at a very early stage. This is because lots of unknowns still exist such as environmental constraints, ground conditions, design changes, inflation, public objections, legal processes, etc.
- **To fix this, DfT requires “uplifts” to early budgets** - To make estimates more realistic, DfT uses something called Reference Class Forecasting. This simply means looking at what happened on similar projects in the past and adjusting new project budgets accordingly. So instead of relying on best-case estimates, we add a percentage 'allowance' to reflect the real-world risks.
- **Uplifts get smaller as the project becomes better understood** - at the start of the scheme development (Strategic Outline Business Case), the uplift is highest, because the risk of things going wrong is greatest. Later on (Full Business Case), once design is detailed, surveys are complete, and planning issues are clearer, the uplift reduces. This reflects the fact that uncertainty reduces over time, though not evenly. DfT found that risk reduces mainly at the extremes (because there are fewer huge surprises), but the middle range of uncertainty stays fairly stable until late in the process.
- **What uplifts are applied?** Uplifts are expressed using p-values, which indicate how confident we are that all risks have been captured. p70 means we are 70% confident the budget covers the risks. p80 means 80% confidence, etc. To have a higher confidence, we can apply a larger uplift.

Early cost estimates must include these uplifts, so whilst figures can look high, this is intentional and realistic. As the scheme progresses and uncertainty reduces, these uplifts will be refined, and costs may narrow into a tighter range. Applying optimism bias does not mean the scheme is poorly planned; it means we are following national best practice to avoid underestimating costs and over-promising on delivery.

Another factor to consider when providing a cost estimate is the opening year. A scheme that opens later costs more because inflation raises construction prices year-on-year, so every delay means paying higher future rates for labour



and materials. It also adds time for risks, design changes and unforeseen issues to arise, which increases the final budget needed to deliver the project.

The outturn cost estimates are shown in the table below. Based on the variations in uplifts, potential opening years and design specification, the outturn cost estimate is between £170 to £630 million.

Option Cost Scenario	Opening Year	P70 to P80 Uplift (£million)
Minimum	2035	170 – 240
	2040	210 – 300
Mid	2035	190 – 280
	2040	240 – 340
Maximum	2035	360 - 520
	2040	440 - 630

Funding Sources

Funding for the western corridor (W3) could come from several sources, but each has limitations.

Short-Term (next 2–3 years)

Funding is needed to develop the technical evidence and design work required to support the SWLP. Access to Department for Transport funding for new local road schemes is very limited, with no clear timetable for new funding rounds, and future DfT funding may be routed through new strategic authorities, not available until 2028/29 at the earliest. In contrast, Homes England has significant funding from April 2026 and is actively seeking partnerships, making it the most realistic short-term funder. However, support is likely to depend on Homes England being convinced by the LMA development proposals and seeing a credible prospect of delivering the corridor well before 2040 if it is to unlock planned housing growth.

Long-Term (mid-2030s)

After adoption of the SWLP, further funding will be required to progress planning, detailed design and ultimately construction of the W3 corridor, around 15% of costs occur during design, with 85% during construction. It is uncertain whether Homes England would take on the full financial risk of the road, but it may still provide grants or loans to a future unitary authority. Other contributors in the long-term funding mix may include the future strategic authority, DfT, and developer contributions, alongside exploration of funding recovery and recycling mechanisms.

Consenting Strategy

The potential legal route that should be used to obtain permission for the new road and what land powers (including Compulsory Purchase) might be needed have been considered, including how changes to local government (a new unitary authority from 2028) could affect responsibilities. Based on the information known about the scheme at the current stage, the most likely consenting strategy is:

- Full planning application under Town and Country Planning Act (TCPA) 1990
- Parallel preparation for a Compulsory Purchase Order (CPO)
- Supporting Highways Act agreements at delivery stage



- It is assumed that the new road would be adopted by the Local Highway Authority, and therefore a Development Consent Order is unlikely to be suitable.

This route most likely offers the most achievable, least risky, and most compatible with the forthcoming local government reorganisation.

Indicative Delivery Programme

Aiming to deliver a western corridor (W3) by 2035/36 is achievable but requires early decisions, continuous progress through design and consenting, and clear commitment from SDC and funding providers (such as Homes England). Immediate technical work is essential to support the SWLP and reduce risks of delay, cost escalation, or challenge at examination. An indicative timeline, assuming that the project will continue to be led by SDC/WCC / future unitary authority, is:

- 2026–27: Develop options for the northern section; provide evidence for SWLP Regulation 19.
- 2027–28: Option development for full route; SWLP Examination; potential early public engagement.
- 2028–29: Select preferred option; start surveys and preliminary design.
- 2029–30: Complete preliminary design and planning documentation.
- 2030–31: Submit planning application (TCPA or DCO).
- 2031–33: Secure planning consent; complete CPO (if needed); begin detailed design and procurement.
- 2033–35: Construction.
- 2035–36: Open to traffic.

Key programme risks include:

- Securing funding from Homes England or others in time.
- Delays to the SWLP Examination due to national inspector workload.
- Political or governance changes associated with the 2028 unitary authority transition.
- Public objections or landowner issues delaying surveys, planning or CPO.
- Higher-than-expected construction prices or inflation.

Next Steps

There are several activities that need to be pursued to ensure the western corridor is presented as a credible, necessary, and realistically deliverable piece of infrastructure at SWLP Examination, while keeping options open for construction before 2040 and enabling the delivery of LMA. These include:

- Further work to demonstrate the need and purpose of the relief road in relation to housing growth, sustainable transport and the wider spatial strategy. This would include additional transport modelling.
- Design work to consider the required design standard (e.g. single vs. dual carriageway) looking ahead to 2050 and beyond, and the potential alignment of the scheme (including at the northern end).
- Updating environmental assessment covering all relevant topics (carbon, landscape, ecology, heritage, human health, etc.) and providing a Red-Amber-Green assessment to feed into the Sustainability Appraisal.
- Engaging Homes England early to explore potential funding or partnership models and to strengthen the case for deliverability at SWLP Examination. This is particularly important if funding is required before 2028.



- Preparing evidence for the SWLP Infrastructure Delivery Plan, including expected cost ranges, updated environmental information, and the emerging route corridor, recognising that not all work needs full completion before Regulation 19.
- Progressing option development for the northern section ahead of Examination, supported by updated costs, environmental assessments and modelling outputs.

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