



**London Docklands
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LONDON DOCKLANDS DEVELOPMENT CORPORATION

NATIONAL AUDIT OFFICE: LIMEHOUSE LINK

BACKGROUND NOTES

SUMMARY

- 1. The opening of the Limehouse Link on 17 May 1993 dramatically changed perceptions of Docklands' accessibility, and started a reversal of the area's fortunes after the recession of the early 1990s.**
- 2. Since May 1993 more than 2.5 million sq.ft. of office space has been let in London Docklands, 15,000 jobs attracted and 2,000 homes built and sold. Canary Wharf is 72% let. Occupancy of offices throughout Docklands is almost 70%.**
- 3. The tunnel has significantly reduced drivetime from the City to the Isle of Dogs and has taken traffic away from the local streets of Limehouse. Until the Limehouse Link opened traffic travelled through Narrow Street dividing the homes to the north and the south.**
- 4. The Limehouse Link was designed, planned and built in 7 years, compared to the average of 15 years for Department of Transport schemes.**
- 5. The outturn project cost of £293.3 million was 29% above the post tender estimate of £227.6 million, a percentage increase similar to other major UK road schemes.**
- 6. Under the 1988 Agreement with Tower Hamlets Council, the LDDC contributed to a major improvement in local housing conditions. Although 169 dwellings were directly in the line of the tunnel, nearly 556 families were moved to much improved homes. The total housing programme cost £100 million net.**

BACKGROUND

- 7. The Limehouse Link, a 1.8 km tunnel, was built as the major element of the Docklands highways, a series of new and improved roads to improve access to Docklands.**
- 8. For decades access to and regeneration of the Isle of Dogs had been constrained by poor road links. The Greater London Council and Tower Hamlets Council, amongst others, grappled with the problem promoting a scheme called the Docklands Northern Relief Road which was eventually shelved in 1981, the year the London Docklands Development Corporation was set up.**
- 9. In 1984 it was estimated that 8 million sq.ft. of commercial development could be attracted to the Isle of Dogs. Within a year preliminary proposals were on the table for a 10-12 million sq.ft. scheme just on Canary Wharf.**
- 10. Against this background of commercial and residential interest in Docklands the LDDC reviewed road plans for the area, designing the Limehouse Link tunnel to be built through the densely populated area of Limehouse.**
- 11. The Limehouse Link was designed, planned and built in just over seven years, comparing favourably to the average of 15 years for major new road schemes completed in 1992-93 elsewhere in the UK, the majority of which were not in urban areas. Two sections of the tunnel were completed ahead of the original planned date and the third on time.**
- 12. In 1981, the estimated residential population in the London Docklands Urban Development Area was 39,400 and in decline. The number of people working in the area was also declining, standing at 27,000 in 1981. Today's figures show a remarkable turnaround: 68,000 people now live in London Docklands with 65,800 working there.**
- 13. The public sector has invested £1.6 billion in the area attracting private sector investment of £6.08 billion.**

THE COST

- 14. LDDC's initial estimates in August 1988 put the construction costs at £141.5 million (NAO: Limehouse Link Table 1, page 16). By September 1989 when the construction contract was let to Balfour Beatty Fairclough the project outturn was estimated at £227.6 million. The increase was due to:**
 - inflation**
 - additional reinforcement of the tunnel walls**
 - the inclusion of works at the interface with the Poplar Link (Aspen Way)**
 - better quality tunnel lining for easier maintenance**
 - special plant required for construction**
 - the need to pay premium rates for labour during the construction boom**

of the late 1980s

- constraints of working in a residential area, including a requirement to bring in and remove bulk materials by water to avoid lorries in local streets and restricted hours of working in a residential area. (c.f. for example, 24 hour working on the Channel Tunnel).

15. The outturn project costs of £293.3 million were 29% above the post tender estimate, similar to other major UK road schemes (PAC Forty-third report, MC 467 1992-3).

This increase was largely due to:-

- agreements with the contractor to take account of change of scope of the contract, to buy out claims and to bring the project back on schedule when difficulties were encountered
- reinforcing on-site supervisory resources
- enhanced architectural features on the three service buildings
- inflation
- increased professional fees. (Note: In the construction industry professional fees are calculated as a percentage of the contract, 8-12% being the accepted national average. The professional fees for the Limehouse Link were less than 10%.)
- strengthening works to 1960s built flats on the Barley Mow estate
- funding for Museum of London archaeological works prior to construction
- the provision of a staffed, on-site Visitor Centre for local residents, school children and others.

THE ACCORD

16. To build the Limehouse Link it was necessary to demolish four council blocks, rehousing some 200 households and to compensate affected owner occupiers. This, together with land acquisition and other works, cost £66.1m.
17. However, under the 1989 Accord with Tower Hamlets, the LDDC and London Borough of Tower Hamlets agreed to work together to implement a major regeneration programme which would secure all of the Docklands highways, provide a £35 million package of social, economic and community projects and redevelop a number of other properties in the vicinity of the new roads. Under this arrangement the Corporation rehoused a further 355 households at a total extra cost of £89.2 million to date.
18. All of the rehoused residents were given a range of choices including moving to new housing association properties within and outside the Borough, transferring to another council property, or transferring their Right to Buy discount to buy privately.

- 19. The outturn construction cost of the tunnel and the additional costs directly contributed to its construction (land, rehousing, etc) is therefore £359.4 million. (£293.3 million + £66.1 million).**

- 20. Since the road opened, Limehouse is now a quiet residential area. The LDDC has carried out a substantial improvement programme for the people in the area:**
 - a new park has been built at Ropemakers Field, above the tunnel and on previously derelict land**
 - landscaping and environmental works have been carried out**
 - Barley Mow estate has been refurbished**
 - Roche Estate has been refurbished.**

- 21. The £35 million Social Accord has financed a range of projects including training programmes, schools, a new post-16 college, new health centres in Poplar and the Isle of Dogs, community centres, environmental improvements in Poplar and Limehouse.**