

REPORT TO: Environment and Urban Renewal Policy & Performance Board

DATE: 26th March 2014

REPORTING OFFICER: Strategic Director, Policy and Resources

PORTFOLIO: Physical Environment

SUBJECT: Contaminated land capital projects programme – funding withdrawal

WARD(S): Borough-wide

1 PURPOSE OF THE REPORT

- 1.1 To inform Members of the decision by DEFRA to withdraw funding available to Local Authorities through the Contaminated Land Capital Projects Programme and the potential implications for Halton.

2 RECOMMENDATION: That the report be noted.

3 SUPPORTING INFORMATION

- 3.1 Part 2A of the Environmental Protection Act 1990 was introduced in 2000, and set out the regime for identifying and remediating contaminated land in England and Wales. Fundamental to the regime is the duty of local authorities to inspect their districts, underpinned by a written strategy, and to seek remediation. To enable local authorities to fulfil these new duties an un-ring fenced amount was included in the Rate Support Grant (RSG), and DEFRA provided a central fund for LAs and the Environment Agency to undertake inspection activities or remediation where the public body was liable, no relevant party could be found or if work had to be completed in default. Those monies were initially available via Supplementary Credit Approvals, and then as a direct grant from 2006 as the Contaminated Land Capital Projects Programme.
- 3.2 From funding levels of £21M in 2001 and an initially slow uptake by LAs, as many took time to adjust to the implementation of the new legislation, the amount was held relatively stable until a significant reduction in 2009/10. This unfortunately seemed to coincide with increased demand from LAs (and the Environment Agency whom also utilised the fund for their responsibilities under the regime). For 2012/13 the budget was £4.35M and there were 86 bids totalling £13M.

- 3.3 The budget for 2013/14 was further reduced to £2M, but in December DEFRA has announced that it will no longer be funding the scheme. It has suggested that an annual £0.5M 'emergency fund' may be available up until 2017.
- 3.4 In the letter from the Under Secretary Lord de Mauley, it is stated that DEFRA believes that the vast majority of contaminated land will continue to be remediated through redevelopment. Whilst this is correct in some ways, and the regime has been a driver for land contamination to be fully considered and addressed through development, it fails to take two major points into account.
- 3.5 Firstly, and critically, Part 2A was designed to tackle those problems where there are no other solutions, so inherently those areas of land for which there are no plans for redevelopment or regeneration. Typically the high priority sites that Local Authorities have investigated under the legislation have been old landfills, public open spaces and residential estates. These scenarios clearly could not rely on the spending power of developers to deal with risks to health or the wider environment. All of the projects Halton and its neighbouring authorities have conducted would not have been addressed through redevelopment and without the Capital Projects Programme it is unlikely they would have been initiated, even though there is a statutory duty to do so.
- 3.6 Secondly, assuming that re-development is the main or only route, there is the issue of introducing a bias towards the southeast in terms of ability for land contamination to be assessed and remediated. High land values in the southeast allow for greater expenditure on contaminated land to be absorbed in the overall cost of development. As Halton knows only too well, land contamination can be the major factor in making redevelopment unviable, leaving land derelict or underused for years. Figures produced by the Environment Agency show that the distribution of funds from the Capital Projects Programme have been evenly distributed across the country, for example, in 2012/13 15 out of 21 eligible bids were funded in the northwest, compared to 11 out of 18 in the southeast.
- 3.7 Halton has relied upon and been very successful in applying for and being awarded contaminated land funding. Since 2002 Halton has received approximately £3.4M across six projects.

Project	Funding amount
Oakfield Drive	157,000
Stenhills / Grange School	115,000
St. Michael's Golf Course	2,945,000
Needham Close	78,000
Ellesmere Street	44,000
Heath Road allotments	59,000

- 3.8 This year a bid for £12,000 for a project assessing housing in Runcorn was eligible but not funded as it wasn't scored as a high enough priority against other projects in an over-subscribed grant scheme. This project was progressed utilising internal expertise and resources. Such a relatively small scale scheme, an investigation of 16 residential properties, is feasible, however larger scale works, particularly remediation, will require significantly larger funds to achieve. How this can be approached by Halton and other Local Authorities in the future is now unclear.
- 3.9 The decision to withdraw funding leaves LAs in a position where they have a statutory duty to investigate, with a published strategy for how they will do so, but, beyond an un-ring fenced amount in the RSG settlement, limited means of fulfilling those duties.
- 3.10 In Halton, with its legacy of the heavy chemical industry, we have identified some 1300 sites that could be adversely impacted by contamination and the Contaminated Land Team has a budget of approximately £20,000. Whilst it is correct that redevelopment has and will continue to tackle some of these sites, it still leaves a significant proportion unassessed. Whilst implementation of the regime, has at times been slow, Halton has achieved more than many authorities, it is now difficult to not foresee a stalling of the implementation of Part 2A nationally. Implementation will either be done very slowly and incrementally over several years as finances allow, only selecting small or uncomplicated sites, or only pursuing sites where there is a high possibility of success of forcing remediation through either voluntary action by owners or polluters or through serving notices. This doesn't necessarily fit well with the guiding principle of focusing on identifying the most serious and pressing problems first. If investigations are spread over years, this in itself could cause blight, uncertainty and huge concern for residents and businesses in the Borough.
- 3.11 This removal of the key source of funding for work under Part 2A may necessitate a revision of the overall Inspection Strategy for Halton and its priorities with a focus on the practicalities of being able to investigate and where necessary remediate sites.
- 3.12 There was no consultation by DEFRA on its decision to withdraw funding, so officers have written to Government asking it to consider re-instating the grant scheme, particularly when considering that the original proposed fund for 2013/14 of £2M was rather modest as a pot for all the English Local Authorities and the Environment Agency.

4 POLICY IMPLICATIONS

- 4.1 None

5 OTHER IMPLICATIONS

- 5.1 A lack of an external funding stream for the statutory duties set out in Part 2A of the Environmental Protection Act 1990 will place additional burdens on current Halton budgets in fulfilling those duties .

6 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

None identified.

6.2 Employment, Learning & Skills in Halton

None identified.

6.3 A Healthy Halton

This could have a negative impact on efforts to remove risks to health posed by land contamination within Halton.

6.4 A Safer Halton

None identified.

6.5 Halton's Urban Renewal

The inability to deal with significant land contamination problems could have an adverse impact on the developability of land within Halton.

7 EQUALITY AND DIVERSITY ISSUES

- 7.1 None identified.

8 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

- 8.1 There are no background papers under the meaning of the Act.