

<b>Report to:</b>	<b>O&amp;S</b>	<b>Cabinet</b>	<b>Council</b>
<b>Date:</b>	<b>13 August</b>	<b>23 August 2007</b>	<b>5 September 2007</b>
<b>Subject:</b>	<b>Remediation of Ince Central Estate</b>		
<b>Report of:</b>	<b>Director of Environmental Services</b>		
<b>Contact officer:</b>	<b>Bob Saunders</b>	<b>Ext 5455</b>	
	<b>Ken Wardale</b>	<b>Ext 2111</b>	

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<b>Purpose/summary:</b>	To seek approval for continuing remediation works on the Ince Central Estate at financial risk to the Council.
<b>Alternative options considered and reason for selecting the one recommended:</b>	The remediation works could be stopped pending a decision on grant aid but this is not considered appropriate for the reasons provided in para 3.2 of the report.
<b>Recommendation/decision:</b>	<ol style="list-style-type: none"> <li>1. Cabinet recommend to Council that budget release be granted to undertake works for phase 8 of the Ince Central Estate remediation programme.</li> <li>2. Council authorises that budget release be granted to undertake Phase 8 of the Ince Central Estate Remediation Programme.</li> </ol>
<b>Key Decision:</b>	This report does not involve a key decision.
<b>Risks / Implications:</b>	
Financial:	Additional £769K at risk of which £709K should be eligible for grant from Defra.
Staffing:	Within existing.
Policy:	Contaminated Land Strategies
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	Not specifically for this report
Wards affected:	Ince
Special Interest Members – Which have been consulted	Ward Members
Summary of reasons for report being closed in the public interest:	

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Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?

**Yes**

Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget?

**No (outside budget framework)**

Are any of the recommendations within this report contrary to the Policy Framework of the Council?

**No**

\* delete which applicable

**For Cabinet reports only :**

Categorisation of the report:	<b>X</b>		<b>X</b>
Discussion leading to a decision	<b>X</b>	Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

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**Tracking/Process:**

	Consultation	Ward Members	Partners
Panel	O&S	Cabinet	Council
	13.8.07 (info only)	23 August 2007	5 September 2007

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer Martin Kimber

Date 25 July 2007

## 1.0 Background

1.1 I refer to a number of previous reports that have been made on the subject of the Ince Central Estate and the undertaking of works for the removal of contaminated land. The last such report was presented to Overview and Scrutiny Committee on 21 May 2007, to Cabinet on 31 May 2007 and Council on 11 July 2007. The report related to a decision to undertake remediation work to phase 7 of the site at risk to the Council pending approval of grant aid for the works from Defra.

1.2 Phases 1-3 of the remediation work have been completed all with the assistance of grant aid and phase 7 will be completed by October 2007. The next phase (phase 8 – the sequencing of phases has been changed to take 7, 8 and 9 before 4, 5 and 6) will be ready for commencement as phase 7 finishes. Unfortunately it is possible that a decision by Defra on the approval of grant aid for phases 7 and 8 will not be forthcoming by that date.

## 2.0 Continuation of Remedial Works on the Estate

2.1 The phased approach to remediation of the whole estate, which comprises some 307 plots, was agreed early in the project following consultation with all interested parties including the residents and Defra. This included a programme of bids to be submitted to Defra for funding of each phase in sequence. It has been estimated that the overall cost of total remediation of the site could be in the region of £7.5M with up to £6.5M possibly being eligible for grant aid from Defra.

2.2 Whilst the phased approach has worked well and has seen work on the estate being undertaken in a continuous process, so that contractors are not moving on and off the estate, funding approval from Defra has not always kept pace with the work despite early submission of grant applications. To keep the remediation process continuing the decision was made in May 2007 to commence work on phase 7 of the remediation programme despite no grant approval having been received from Defra. Following written protest by the Council to Defra a letter was received in reply. This letter indicated that Defra recognised Ince Central as a 'priority site' but made it clear that no decision would be forthcoming on grant approvals until 'late summer, early autumn'. A copy of the letter from Defra is attached as Appendix 1.

2.3 Unfortunately therefore, whilst the next remediation phase (phase 8) will be ready for commencement in October 2007 we may not have a decision on approval of grant aid for this phase, or the previous phase 7 at that time. The estimated cost and eligible grant for the two phases are provided below:

	estimated cost	estimated eligible grant
phase 7	£1.052M	£961K
phase 8	£767K	£709K

2.4 The decision to undertake the remediation work to phase 7 has already resulted in the Council carrying out over £1M of work at risk. To decide to do the same for phase 8 will put a further £767K at risk. The Council however has no agreed budget for this work other than the comparatively small amount estimated to be ineligible for grant aid. Previously Housing Revenue Account and Private Sector Housing Capital monies have been identified as contingency sources from which this funding could be taken, but this would be at the resultant loss of programmed repairs and improvements in both housing sectors and delay in reaching the decency standard in the public sector stock.

### 3.0 **Alternative options considered and reasons for the recommended option in relation to remediation work**

3.1 This situation leaves the Council in a difficult situation. On the one hand the Council has consistently tried to put the plight of the residents on the estate to the fore and avoid the additional distress that delays in the remediation would cause. On the other hand without Defra funding the cost of remediation will cause a significant impact on the Council's overall resources and other priority programmes.

3.2 Overall it is considered the better option is to continue with the remediation works at financial risk to the Council because not to do so will give rise to:

- risk of the contractor moving off site with resultant difficulties in re-commencement
- additional distress to residents with ensuing delay
- risk of legal action being instigated by residents against the Council

Whilst there is a financial risk to the Council there is considered to be a 'reasonable' probability that Defra grant funding will eventually be forthcoming.

### 5.0 **Conclusions**

5.1 It is considered that the best option with regard to remediation works is the continuation of phase 8 of the programme at financial risk to the Council, pending a decision by Defra for grant funding of phases 7 and 8.

### 6.0 **Recommendations**

6.1 Cabinet recommend to Council that budget release be granted for phase 8 of the Ince Central Estate remediation programme.

6.2 Council authorises that budget release be granted for phase 8 of the Ince Central Estate remediation programme.



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**Our ref** CONL 102  
**Date** 25 June 2007

Dear Bob

**CONTAMINATED LAND CAPITAL PROJECT PROGRAMME - 2007- 08**  
**INCE CENTRAL ESTATE**

1. Thank you for your letter of 29 May expressing your authority's concerns over delays in approving funding for the remediation of the contaminated land on the Ince Central Estate, Wigan and seeking some certainty of future funding.
2. In your letter you stress the importance of minimising disturbance to residents by a phased approach to the remediation whilst maintaining a continuous workflow by the contractor. However due to delays in providing funding, under the above mentioned programme, your authority has to decide whether to commence works before any funding is approved. In this respect it is noted that contractors will commence works on phase 7, for which funding was requested on 12 March 2007.
3. We share your concerns and we are exploring ways of improving the delivery of the grant system in future so that authorities can be given more confidence to proceed with projects in future years, especially where those works are phased over several years. However we, like all Departments, have to work within the government's financial system of annual budget allocations. Therefore until the 2007/08 allocations are set we do not have authority to approve any grants. It is our intention that once allocations are approved, we will be writing to authorities about the 2007/08 programme.
4. I understand that an application for phase 9 will be submitted shortly. May I also suggest that perhaps you should also consider submitting applications covering all the remaining phases. We will process these bids as a matter of priority, however in fairness to all authorities we will have to consider all bids together. Therefore any decisions cannot be expected until late summer, early autumn. On a more encouraging note I would mention that this is one of our priority sites.

Yours sincerely

Trevor Jones

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