

# REPORT TO CABINET

REPORT OF:        PROPERTY PERFORMANCE MANAGEMENT GROUP

REPORT NO.        LEG/0167

DATE:                6<sup>th</sup> September 2004

<b>TITLE:</b>	WHARF ROAD CAR PARK STAMFORD
<b>FORWARD PLAN ITEM:</b>	YES
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	16 <sup>TH</sup> JUNE 2004
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	KEY DECISION
<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	COUNCILLOR RAY AUGER
<b>CORPORATE PRIORITY:</b>	DEVELOPMENT OF TOWN CENTRES
<b>CRIME AND DISORDER IMPLICATIONS:</b>	NONE
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	
<b>BACKGROUND PAPERS:</b>	EXEMPT REPORT TO CABINET DATED 30 <sup>TH</sup> DECEMBER 2002. MINUTE NUMBER CP198 SYMONDS GROUP LIMITED SITE INVESTIGATION REPORT 3B/59786/SI REPORT SEPTEMBER 2003 SKDC CONTAMINATED LAND INSPECTION STRATEGY RECORD OF DETERMINATION OF CONTAMINATED LAND. EXEMPT LEGAL ADVICE

## **1. PURPOSE OF REPORT AND SUMMARY**

### Purpose of Report

- To inform Cabinet of the current position relating to the investigation of contamination at the Council's Wharf Road Car Park, Stamford.
- To consider the options available for cleaning up the site.
- To recommend the remediation strategy for implementation subject to inclusion in the Capital Programme to be put before full Council in September 2004

### Summary

The car park shown edged red on the attached plan has been declared statutorily contaminated land resulting from its former use as a Gas Works. The Council has a duty to enforce remediation of contamination under Part IIA of the Environment Protection Act 1990. As current owner of the land, the Council may have a liability to carry out the remediation required.

## **2. DETAILS OF REPORT**

### Introduction

In accordance with its Contaminated Land Inspection Strategy, the Council has investigated contamination at its Wharf Road Car Park Stamford. As a result of this investigation, the Council has made a declaration that the land is contaminated. The Council is the freehold owner of the site, which it inherited from the Mayor Aldermen and Burgesses of the Borough of Stamford. Part only of the whole gas work site was purchased. The remainder was retained by the Gas Board until 2002 when it was transferred to a property developer for residential development. Planning permission has now been granted for the development of that site which is shown edged blue on the attached plan with thirteen town houses. This planning permission is subject to a condition relating to approval of voluntary remediation scheme for that site. The developers have submitted their remediation scheme and the Environment Agency and the Council have approved the proposed remediation subject to conditions. This involves the construction of a barrier between the Council owned land and the development land to prevent any flow of contaminants from the Council land to the development land

### Current Position

The Council has carried out a full contamination survey of its site and, as a result of this survey, has made a declaration that the site is contaminated because 'the pollution of controlled waters is likely to be caused'. As such, the site must be cleaned up to prevent contaminants entering into the ground water. As enforcer of the contaminated land regime and landowner, the Council must consider the type of clean up required for this land.

### 3. OPTIONS AND FINANCIAL ANALYSIS

The options for remediation vary in cost and in degree of disruption to the car park. Options available are detailed below:

**(note: all prices and timescales quoted are subject to a full tendering process and can only be estimates at this stage)**

#### **(A) Barrier only.**

- Cost: £145,000 + vat
- Timescales: 4 Weeks
- Advantages: Sustainable remediation, Quick, low cost solution, Minimal disruption to car park (northern section of car park likely to remain operational throughout works)
- Disadvantages: Totally reliant on barrier providing protection, Site to remain for car park end use only, long term monitoring required

#### **(B) Barrier & Hotspot removal**

- Cost: £235,000 + vat
- Timescales: 8 Weeks
- Advantages: Sustainable remediation, Site suitable for re-use (commercial, residential without gardens may be attainable, residential with gardens would require further treatment/investigation).
- Disadvantages: Disruption to car park, short term monitoring required.

#### **(C) Complete source removal by dig & dump and installation of barrier**

- Cost: £944,683 + vat
- Timescales: 20 Weeks
- Advantages: Site suitable for re-use (residential)
- Disadvantages: Car park would close throughout works, disruption to Stamford town centre with increased lorry movements of waste arisings being sent to landfill, Not Sustainable remediation, remediation costs derived prior to Landfill directive which may increase disposal costs (landfill directive to be introduced in July 2004).

On the assumption that the site will be retained for car park use, there will be requirement for reinstatement to that use. The likely cost of reinstatement will be approximately £60m<sup>2</sup> in respect of option B. Given

that about 30% of the site will require reinstatement, a cost of £100,000 must be assumed for this work

Each type of remediation has a different timescale attached to it which has an impact on the extent of the closure period. This closure period will vary from approximately one month (for barrier fitting) to five months (full remediation). The financial loss of revenue is difficult to determine as there is capacity at the other car parks with the exception of Fridays and Saturdays that can accommodate additional users. However the car park generates in the region of £8,000 per month and so some loss of income is inevitable when our car parks are performing at maximum capacity

An application has been made to DEFRA's Capital Project Programme to support funding of the options available for remediation. Initial discussions with DEFRA have suggested that option C may not be supported but both option A & B are favourable. The outcome of the submission is awaited.

It would be appropriate for a clean up of the site to be carried out in association with redevelopment proposals for the site. At the present time, there are no redevelopment proposals for the Council land. Regardless of the use of the Council land it is certain that the adjoining development site will be developed. When considering the level of remediation required for the Council land, the Council must take into account the use of adjoining land. Any remediation scheme of the Council land must ensure that pollution of the river is not increased and reduce the risk of further contamination of the development site once it has been cleaned up. The proposed barrier should prevent this happening, however, whilst the contaminants remain in the Council land, the risk of contaminating the river and adjoining sites will remain. That risk could be significantly reduced by the use of option B remediation.

#### **4. OTHER OPTIONS CONSIDERED**

##### **1. Sale of Car Park as contaminated land for development**

The land value of the site would be significantly suppressed if sold as contaminated land but would transfer the responsibility of remediation to the purchaser.

This course of action needs careful consideration as a loss of the car park in Stamford could have considerable impact on traffic management issues. This is a popular long stay car park with over 100,000 motorists each year using it for their parking needs (and generating income of over £90,000 per annum). It is proposed a Stamford car park strategy be produced in order that the parking needs for the town can be identified and car parking (both on and off street) allocated accordingly

##### **2. Sale of Car Park following remediation on site for development**

The land value would be maximised if the land were completely cleared of all contamination. Brownfield sites in the town are scarce and it is likely that any capital receipt would be of a significant value. Recent land transactions in the vicinity of Wharf Road have generated an open market price of considerable value for residential development.

Again, this assumes the Council no longer wishes the site to remain as a car park.

**5. COMMENTS OF DIRECTOR OF FINANCE AND STRATEGIC RESOURCES**

I have been informed and involved with the Property PMG on all aspects of this project. The DEFRA bid outcome is important as it underpins the financial options available to the Council. If awarded, it will be in the form of revenue support through grant towards the financing costs of the chosen option. The other aspects requiring review are the linkages to the long term development of Stamford. We need to make sure the chosen option does nothing to prevent long term plans.

**6. COMMENTS OF CORPORATE MANAGER, DEMOCRATIC AND LEGAL SERVICES (MONITORING OFFICER)**

It is clear that remediation of the Council's land must take place as soon as possible. It is not an option to do nothing.

**7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER**

The Head of Property Services (Design) emphasises that all costs are estimates only. The reinstatement cost quoted has assumed that 30% of the car park surface will require reinstatement. Reinstatement will involve infill and resurfacing. The full extent of the cost will only be known once the clean up has been started.

The Head of Planning Policy and Economic Regeneration recommends a review of all car parks in Stamford be carried out in association with remediation work at this site

**8. CONCLUSION**

It is essential that the Council's land is cleaned up immediately to remove any statutory, civil, criminal and common law liability relating to the state of Council owned land. It is known that the adjoining development land will be developed for residential use imminently. In the circumstances, to prevent any potential leaching of contaminants from the Council land to the development land, ground water and River Welland, the Council should proceed to clean up its land to the level detailed at option B listed above.

**9. RECOMMENDATION**

Cabinet is asked to note the position relating to the state of the Council's land and the adjoining development land. In consideration of this, it is recommended that work commence, as soon as appropriate, to clean up the

Council's Wharf Road Car Park site in accordance with option B above subject to budget approval by Full Council.

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