

REPORT TO: Cabinet Urgent Business Committee

DATE: 13th January 2011

SUBJECT: Variation to Remediation Contract with Blackwells Limited and funding agreement with the Homes and Communities Agency

WARDS AFFECTED: Litherland

REPORT OF: Alan Lunt - Neighbourhoods and Investment Programmes Director

CONTACT OFFICER: Tom Clay, HMR Programme Manager
0151-934 4849

EXEMPT/ CONFIDENTIAL: No

PURPOSE/SUMMARY: to advise the Cabinet Urgent Business Committee of the funding offer from the Homes and Communities Agency in relation to remediation of the site known as Klondyke 1A, and to seek agreement to enter into a funding agreement accordingly and to issue a variation order to Blackwells Limited to their existing remediation contract to undertake the work.

REASON WHY DECISION REQUIRED:

The Neighbourhoods and Investment Programmes Director does not have delegated authority to make decisions relating to such matters.

RECOMMENDATION(S):

That Cabinet Urgent Business Committee give approval to:

- 1) the Council accepting the offer of grant funding from the HCA for the remediation of the site known as Klondyke Phase 1A and agrees to enter into a funding agreement with the Homes and Communities Agency accordingly; and
- 2) a variation to the existing remediation contract with Blackwells Ltd to instruct them to undertake this work.

KEY DECISION: No

FORWARD PLAN: N/A

IMPLEMENTATION DATE: Upon the expiry of the call in period for the minutes of the meeting

ALTERNATIVE OPTIONS: the Council could decline this offer of funding and not carry out the work. The site would not then be developed with new housing and the capital investment from the HCA lost to Sefton.

IMPLICATIONS:

Budget/Policy Framework: None

Financial: There are no net financial implications to the Council.

<u>CAPITAL EXPENDITURE</u>	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £	2013/ 2014 £
Gross Increase in Capital Expenditure	250,000	0	0	0
Funded by:				
Sefton Capital Resources				
Specific Capital Resources: HCA	250,000	0	0	0
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure	0	0	0	0
Funded by:				
Sefton funded Resources	0	0	0	0
Funded from External Resources	0	0	0	0
Does the External Funding have an expiry date? Y/N	When? 31/3/2011			
How will the service be funded post expiry?	N/A			

Legal: Legal services will need to agree the necessary funding agreement.

Risk Assessment: There is a risk of cost over-run in the event of unforeseen works. Further funding will be sought from the HCA in those circumstances.

Asset Management: N/a

CONSULTATION UNDERTAKEN/VIEWS
FD 604 - The Interim Head of Corporate Finance & Information Services has been consulted and has no comments on this report
LD 00020/10 Corporate Legal Services

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		x	
2	Creating Safe Communities	x		
3	Jobs and Prosperity	x		
4	Improving Health and Well-Being	x		
5	Environmental Sustainability	x		
6	Creating Inclusive Communities		x	
7	Improving the Quality of Council Services and Strengthening local Democracy		x	
8	Children and Young People	x		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Background

1. The site known as Klondyke IA has been acquired by Compulsory Purchase for housing development. Demolition will be complete by the end of January 2011 on the final section of existing dwellings. The land is contaminated and remains to be remediated prior to development taking place.
2. The Homes and Communities Agency (HCA) has offered to fund the remediation costs of £250,000 provided that the funds can be expended by 31st March 2011. After 31st March 2011, there will be no new funding available to the HCA nationally to fund remediation. The HCA has already funded the remediation of the nearby Tannery site and adjacent Penpoll site.
3. Blackwells Ltd carried out the remediation of the Tannery and Penpoll sites as contractors to the Council. As part of their tender and contract, the remediation of Phase 1A was included as an optional extension to the contract as, at the time, there was some uncertainty of both timing and funding availability. It is therefore acceptable to issue a variation to the contract accordingly to cover the additional works.
4. Provided that the Cabinet Urgent Business Committee approval is granted in January 2011, the works can be completed and certificates for payment raised to enable claims to the HCA to be made by 31st March 2011.