



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: ENVIRONMENT AND HOUSING

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**Date of Meeting:** 26th July 2011

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**Public**

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**Key Decision:** No

**Recorded in Forward Plan:**

**No**

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**Inside Policy Framework**

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**Title:** CAPITAL PROJECT - WILLOWHOLME INDUSTRIAL ESTATE

**Report of:** THE ASSISTANT DIRECTOR LOCAL ENVIRONMENT

**Report reference:** LE15/11

**Summary:** Following the 2005 floods a package of improvement works were agreed for the Willowholme Industrial Estate. Most of these were complete soon after the flood; however the reconstruction of the un-adopted section of road was delayed until after other major infrastructure improvements were completed to sewers and flood walls. The road reconstruction has now been completed on Willowholme Road but work still remains to be carried out on Mill Race Road. This report requests the release of £26,133 from the Industrial Estates Capital Fund to cover additional costs incurred in disposing of contaminated material found during work on Willowholme Road. This will enable work on Mill Race Road to be completed and the roads to then be submitted for adoption by the County Council.

**Recommendations:** It is recommended that the £26,133 be released from the Industrial Estates Capital Budget to fund the additional costs incurred in disposing of contaminated ash.

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**Note:** in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

## **1. BACKGROUND INFORMATION AND OPTIONS**

- 1.1 Following the Carlisle floods of 2005, funds were set aside from the Capital Budget to enhance Willowholme Industrial Estate. The estate and its tenants were badly affected by the flood and a package of measures was agreed in consultation with the tenants on the Industrial Estate.
- 1.2 Some works were carried out soon after the floods, these included upgrading of the street lighting, repairs to fences, drainage improvements and enhanced signage. The one element of the works that could not be completed at the time was the reconstruction of the un-adopted section of the Industrial Estate road. The majority of the road is adopted by the County Council however a section of Willowholme Road at the north end of the estate, and Mill Race Road remain in the ownership of the City Council.
- 1.3 It was necessary to delay completion of this improvement work until after the Environment Agency completed the flood prevention works, and United Utilities completed improvements to the drainage system and the sewage works. These other works were completed earlier this year and funds were then released in March to carry out the road improvements. The County Council also allocated funding to reconstruct a failed section of Willowholme Road.
- 1.4 In order to achieve economies of scale the City Council prepared a jointly funded contract for all the reconstruction works required on the estate. Tenders were received and the lowest tender submitted by Cubby Construction was accepted and they have now completed all the works on time and to the standard required.
- 1.5 During the course of the excavation works a layer of ash fill was found beneath the existing bitmac surface. Following tests it was confirmed that the material was contaminated and special procedures would have to be taken to dispose of it. To minimise the quantity of material to be disposed of the Contractor riddled out larger pieces of aggregate to leave just the ash. As a result of this unexpected work additional disposal costs of £25,437 have been incurred on the City section of the work and £18,671 on the County Council element. The County Council will fund their element of the work and a request for a virement of £26,133 is made to fund the additional cost incurred by the City Council.
- 1.6 Trial holes taken by the County Council prior to designing the works had given no indication that contaminated material was to be expected and therefore no allowance for this was made in the contract.

- 1.7 A total budget of £139,000 was allocated for this work, £119,000 to cover the contract costs from Cubby Construction, and £20,000 for repair works to Mill Race Road still to be carried out by Carlisle Highway Services. As a result of the additional costs to dispose of the contaminated material the revised costs are:-

**Willowholme Road**

Measured Contract Costs	£116,590
Agreed Contract Variations	£3,105
Ash Disposal	£25,438
<b>Total Contract Cost</b>	<b><u>£145,133</u></b>

**Mill Race Road**

Road Repair Costs	£20,000
<b>Total Cost</b>	<b><u>£165,133</u></b>

- 1.8 In order to complete the improvements to Willowholme an additional virement of £26,133 is required. This will largely go towards funding the works still outstanding on Mill Race Road. Following discussions with Property Services and Financial Services it is proposed that £26,133 be released from the 2011/12 Industrial Estates Capital Budget to fund this work.
- 1.9 Upon completion of all the works the road will be adopted by the County Council, thus relieving the City Council of any future road and lighting maintenance costs.

**2. CONSULTATION**

- 2.1 Consultation to Date.
- 2.2 Consultation proposed.  
No further consultation is proposed.

**3. RECOMMENDATIONS**

It is recommended that the £26,133 be released from the Industrial Estates Capital Budget to fund the additional costs incurred in disposing of contaminated ash.

#### **4. REASONS FOR RECOMMENDATIONS**

Completion of the proposed works will enable the City Council to pass responsibility for maintaining the road to the County Council.

#### **5. IMPLICATIONS**

- Staffing/Resources – N/A
- Financial – £139,000 was approved for this project as part of the 2011/12 capital programme. The current forecast of capital spending for this project indicates an overspend of £26,133 which has arisen for the reasons detailed in this report. The overspend can be met from a virement from Kingstown Industrial Estate (£499,100 was approved as part of the 2011/12 capital programme). This report requests the release of £26,100 from Kingstown Industrial Estate to cover the additional costs incurred on Willowholme Industrial Estate.

The proposed virement of £26,133 will meet the additional costs incurred on the Willowholme operation. Confirmation has been received from Highways section that there will be no issues with contaminated ash at Mill Race Road and the costs can be contained within the £20,000 allocation to this part of the scheme.

Any subsequent work proposed for Kingstown will need to be contained within the reduced budget which requires a further report to Executive for release.

- Legal – The Council has legal obligations to properly dispose of waste.
- Corporate – The completion of this work completes the Council commitment to enhance the estate after the 2005 flood.
- Risk Management – Construction risks are subject to specific risk assessments.
- Environmental – Discovery of contaminated ash requires that this material be disposed of in a responsible manner.
- Crime and Disorder – There are no obvious implications to this element of the work.
- Impact on Customers – No implications apparent.
- Equality and Diversity – N/A

## Impact assessments

Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?	No	
Age	No	
Disability	No	
Race	No	
Gender/ Transgender	No	
Sexual Orientation	No	
Religion or belief	No	
Human Rights	No	
Health inequalities	No	
Rurality	No	

If you consider there is either no impact or no negative impact, please give reasons:

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If an equality Impact is necessary, please contact the P&P team.