

Nobel House 17 Smith Square London SW1P 3JR T: 08459 335577 helpline@defra.gsi.gov.uk www.defra.gov.uk

To: All Local Authorities in England

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From Lord de Mauley
Parliamentary Under Secretary

I am writing to update you on the future of Defra funding for the Contaminated Land Capital Grants Scheme.

Since 2009/10, over £38m has been made available to local authorities through the Grants Scheme. However, as you will be aware the budget for the scheme has undergone significant incremental cuts in line with the economic downturn, decreasing from £17.5m in 2009/10 down to £2m for 2013/14.

You will also be aware that Defra published revised Part 2A Statutory Guidance in April 2012, which was designed to provide clarity to local authorities on implementing Part 2A of the 1990 Environmental Protection Act, to focus attention on the highest-risk sites and to enable Local Authorities to dismiss lower risk sites more quickly and easily. This has resulted in a more stringent risk-based approach to identifying and remediating contaminated land. Given these changes, Defra will no longer be supporting the costs of investigating and remediating contaminated land under Part 2A through the Contaminated Land Capital Grants Scheme. This is a regrettable but necessary change of approach but one that reflects current circumstances including activities looking at departmental priorities and government spend.

Despite continuing economic pressures, from 1 April 2014 for a 3-year period, it is anticipated that up to £0.5m could still be made accessible annually (subject to capital funding being available within Defra) for absolute emergency cases and to meet the requirements of on-going remediation projects where these are considered to be the highest priority. Funding will cease from 1 April 2017.





As currently, funding for local authorities to fulfil their statutory obligations under Part 2A of the Environmental Protection Act will continue to be provided through the Revenue Support Grant provided by DCLG.

Defra remains committed to providing the supporting tools to help Local Authorities embed the revised Part 2A Statutory Guidance. The project to develop new 'Category 4' screening levels will be published soon and this will sit alongside the Defra-funded research on 'normal' background levels of contaminants that is already available. Defra has also established a National Experts' Panel on contaminated land, whose remit is to advise Local Authorities on difficult decisions under Part 2A at more complex contaminated sites. This Panel is available for Local Authorities to access now and it is envisaged that Case Studies on the output of the Panel's work will also be available to be distributed to other Local Authorities to share best practice. The vast majority of contaminated land will continue to be remediated through redevelopment under planning guidance as set out in the National Planning Policy Framework.



