

Environmental Damage and Pollution Legal Liability

Claims Example – Housing Development

This factsheet provides a summary of a claim that was realised by the developer of a housing estate. The case highlights that historical liabilities can be significant and take a long time to resolve.



1955 to 1980	Site used as Steetley Chemical Works
1983	Bought by Crest Nicholson
1987	Housing development completed
1992	Redland Minerals bought Steetley
2000	Groundwater contamination identified
2002	Environment Agency classify the site as a "Special Site"
2005	EA name Crest and Redland as "appropriate persons", and they appeal
2007	Hearing starts
2009	Appeal rejected by the Secretary of State
2010	Crest and Redland share the costs
2013	Third party actions still ongoing

Operator Type

Housing Developer, Crest Nicholson.

The Background

The site, in Sandridge near St Albans, is a development of 66 houses built on the former Steetley Chemical Works. The site manufactured, among other things, Potassium Bromate.

Although the site was remediated with the full approval of the Local Authority, Bromates and Bromides were identified in drinking water wells around Hatfield.

Costs

When the pollution was first identified, nine drinking water wells were closed and the water treated – at a cost of some £13M.

The remaining costs, including legal defence costs have not been published, but are considered significant.

Discussion and Comments

The Sandridge case highlights two issues:

- 1) The fact that liability for historical pollution can attach to future owners of the site (i.e. Crest), even though they were not the polluter and completed the development in accordance with requirements of the local authority.
- 2) These cases take a very long time to resolve, during all this time the work and management of the issue is being carried out by third parties – none of which have a motivation to control costs.

Insurance was not purchased by Crest or Redland, although had it been, the management of the issue and the time taken to actually resolve the case (and the remediation) is likely to have been a lot quicker.

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In order to obtain a free premium indication and draft policy wording please contact clive.walker@uk.zurich.com



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