

Redundant Assets - More than one way out

Tuesday 12 November 2013, EC Harris, York Way



Redundant assets have always been a lurking problem for their owners but over the last 10 years economic pressures, backed by changing working practices, have led to a rapid increase in the numbers of such sites. Often they have a history of use that leads to high divestment costs and frequently a range of environmental issues that need to be dealt with intelligently. The briefing aimed to identify fresh thinking (good practice, technical innovation and risk mitigation) which provides corporates with alternative ways to extract value from their redundant sites.



Matt Bigam for CoreNet introduced this session, set up by CoreNet UK's Manufacturing and Industrial Community under the leadership of **Harry Cole**. Held in EC Harris's London HQ, itself once a redundant foundry and now a busy headquarters building, as **Peter Holden**, moderating, told us.



First speaker **Sarah Whittington** of ARCADIS EC Harris provided an overview of the six challenges which face owners of such assets including: the need for forward planning, safety and environmental management, finding pathways to re-use. 'What we find' she said 'is that innovation can be the answer - there is often more than one way out. And innovative ideas can turn liabilities into valuable assets. Decision making is the key - not indecision - and the whole process takes time.'



Sarah's colleague **Katy Baker** then described in greater detail some of the more technical aspects of remediation where rapid progress in science and technology is being made. Where for instance chemical compounds can be used to neutralise contaminants on site, without the need for demolition and 'dig and dump' removal. And how new discoveries are being made in research laboratories enabling the re-use of soil contaminated by asbestos. These new techniques, helped by developments in site analysis technology that can gather more investigation data at a much lower cost, is of real benefit in undertaking due diligence on impacted assets.



Finally **Stephen Sykes**, of Talisman Environmental Services provided some insights into the insurers' point of view. His main point was that companies need to develop a process to support key decisions - whether to retain in-house the risk associated with redundant sites (eg contamination) or to transfer it to a third party insurer. Measure the risk, he said, understand it, because if you don't you can't hope to manage it. Mitigate the risk - look at the available types of coverage and talk to the insurers, measure up the exclusions, consider captive insurance - keeping the risk in-house in your own 'captive' (i.e. in-house insurance company) and then laying it off in the reinsurance market.

The three speakers were then joined by two additional panellists: **Richard Montgomery** of Shell and **Neil Hildreth** of Johnson and Johnson. These two global industries though disparate still suffer similar problems. Johnson & Johnson has grown largely through acquisition which means often the history of a particular site or sites simply doesn't exist. Shell on the other hand is a long established business with many sites, built over a long period of time, now



redundant and in need of closure. Questions from the floor included 'Is there a market for contaminated land?' and 'What about insurance market capacity?'

A most interesting and illuminating session for which our thanks to ARCADIS EC Harris for their hospitality.

Click [here](#) to see the speakers' slides.

AV Sutherland