

Decision Report

Committee: Executive

Meeting Date -

7 October 2024

Key Decision – yes



HRA sewage treatment tank replacements using MHCLG Local Nutrient Mitigation Fund grant

Chair of Committee: : Cllr Bill Revans, Leader of Somerset Council

Executive Member(s): Cllr Federica Smith-Roberts – Lead Member for Communities, Housing and Culture.

Local Member(s) and Division(s) affected: All

Executive Director: Chris Hall Executive Director, Community Services

Executive Summary

The HRA owns and manages 20 Package Sewage Treatment Plants (PSTPs) which serve rural homes which are off the mains sewage network. Many of these plants are 40+ years old and are reaching then end of their lifespan. The HRA is receiving £1m of funding through the MHCLG Local Nutrient Mitigation Fund (LNMF) (formerly provided through the Department of Levelling Up Housing and Communities (DLUHC)) for delivering a reduction of 28.6kg pa of phosphate from discharges into the Rivers Tone and Parrett catchment areas. The HRA intends to use this money to fund a program of PSTP replacements of the worst performing plants with new plants which are efficient at removing phosphate.

Recommendations

Members are asked to agree to the program of PSTP replacements where costs for the program are equal to or below the value of the LNMF funding received.

Members are being asked to approve a supplementary budget of £1m to the HRA Capital Programme, that will be fully funded by the MHCLG Local Nutrient Mitigation Fund.

Reasons for Proposals

A significant proportion of the HRA owned PSTPs no longer function effectively or are approaching this condition. These PSTPs put the council at risk of breaching environmental laws / regulations. To mitigate this risk the HRA has been spending significant sums on maintaining these systems. Replacement of failing PSTPs will achieve significant annual savings for the HRA, reduce the risks of causing pollution events, reduce inconvenience to households and reduce the number of related complaints.

Use of the LNMF grant represents a unique and time limited (projects spend must be committed / in contract for the works by 31st March 2025) opportunity. Without the use

of MHCLG funding the cost for replacements will need to be borne by the HRA, tenants, leaseholders and private individuals who use the systems.

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1. Background and purpose of report

1.1 On 19th December 2023, Somerset Council was notified that our bid to the Government's LNMF had been successful and that we had been awarded £9.6m capital funding.

1.2 The Strategic Planning Committee have agreed to provide £1m of this funding to the HRA to fund projects which deliver a reduction of at least 28.6kg of phosphate.

HRA Proposal

1.3 The HRA owns 20 small scale sewage treatment plants which serve rural residential properties primarily within the former Somerset West and Taunton Council and Sedgemoor District Council areas. While many of these rural properties are now in private ownership the council has a duty to maintain these systems.

1.4 A large proportion of these plants are now 40+ years old and are at the end of their expected lifespans.

1.5 The HRA proposes to use the Local Nutrient Mitigation funding of £1m to facilitate the replacement of five of the worst performing plants. This replacement program will produce a reduction of 30kg of phosphate pollution per year at a cost to the HRA of £670k. This estimate includes consultants estimates of the works costs plus inflationary uplifts, HRA staff and admin costs and 10% contingency.

1.6 Any financial surplus achieved by this project (currently estimated at £330k) will be used to facilitate the replacement of high priority plant replacements which do not qualify for Local Nutrient Mitigation funding.

1.7 The HRA is also investigating the use of water efficiency measures to achieve phosphate reduction. This method involves fitting flow control devices to existing HRA homes. While this approach is low risk and produces a greater financial surplus (estimated at £600k based on costs provided by the device installers) replacement of the sewage treatment plants is the preferred option because these need to be replaced, whether the works receive funding or not. Water efficiency measures would be used where there is a significant risk that the sewage treatment plant replacements will not complete within the funding deadline or should additional nutrient mitigation funding become available.

2. Links to Council Plan and Medium-Term Financial Plan

2.1 Through the reduction in phosphate discharged into the river Tone and Parrett catchments and the reduction of the risks of sewage pollution the proposal supports the priority of a greener and more sustainable Somerset.

2.2 Many of the households who use the PSTPs are on low incomes and would be liable for a share of the substantial cost of the PSTP replacements. By making use of the MHCLG funding we will reduce or remove this liability, contributing towards the council's priority of a fairer, ambitious Somerset.

2.3 The provision of phosphate credits will provide developers with an opportunity to mitigate the impact of their proposed developments and satisfy their planning permission requirements regarding nutrient neutrality. This will contribute to more houses being built in Somerset and more jobs created and sustained in building those homes. This will contribute towards the council's priority of a flourishing and resilient Somerset.

2.4 The sewage treatment plants owned by the HRA are now 40+ years old and are at the end of their expected lifespans. The HRA would otherwise need to fund the replacement of these units. By obtaining subsidy from the MHCLG Local Nutrient Mitigation Fund this reduces the financial impact on the HRA and its 30-year business plan.

3. Other options considered

3.1 The HRA can also produce phosphate credit by installing water flow regulation valves to existing homes and this option would result in a greater return on investment in respect of the cost of works compared to the value of the credits produced. But, for other than the delivery of phosphate credits and receipt of funding, this option offers no other benefit to the HRA while there is an urgent need to replace PSTPs whether phosphate credits can be produced and funding received or not. For this reason, PSPT replacements are the recommended option.

4. Key considerations for the Council

4.1 Scrutiny comments / recommendations:

Scrutiny have recommended that options for divesting the council of the responsibility for maintaining the sewers are investigated including adoption and transfer to 3rd party management companies. Both options will be investigated for each of the replacement sites.

4.2 Consultation and feedback

No consultation has taken place at a program level. As the owner of the PSTPs the council is liable for any breach in regulations arising from the malfunction of the plants. The council has a legal obligation to maintain the sewers and drains as stated in the title documents (restrictive covenants schedule) of the properties being served by the PSTPs. At a project level, for each of the replacements, all individuals affected by the

works will be consulted as options, specifications and designs are considered for each site.

4.3 Financial and Risk Implications

The total projected costs to replace the five worst performing plants is estimated as c£670k. The financial cost will be fully funded by £1m from MHCLG Local Nutrient Mitigation Fund. The surplus funding will be used to fund the replacement other HRA Package Sewage Treatment Plants. The table below shows further details on the projected spend and income per scheme.

Site	Location	Capital component (based on WCI reports Jan 21)	Inflated from Jan 21 - Jan 25 (not including Castle View) @23%	Including fees (5%) and contingency (10%)	Legal, resident engagement, business support, TLO, 25%	Contract Management (including PM FTE plus 20% FTE x Dev Specialist)	Central recharges	Total project costs	Credit value
Castle View	Curland		£27,233	£31,318	£7,829	£15,000	£4,400	£58,547	£137,200
Weekes Meadow	Sampford Arundel	£110,880	£136,650	£157,148	£39,287	£65,000	£5,000	£266,435	£514,500
Meadowside	Combe Florey	£50,400	£62,113	£71,430	£17,858		£5,000	£94,288	£137,200
Appley Cross	Stawley, Wellington	£56,000	£69,014	£79,366	£19,842	£65,000	£3,400	£167,608	£137,200
Homefield	Stoke St Mary, Taunton	£44,800	£55,212	£63,494	£15,873		£3,400	£82,767	£137,200
		£262,080	£350,222	£402,756	£100,689	£145,000	£21,200	£669,645	£1,063,300

The 20 Package Sewage Treatment Plants owned by the HRA are now 40+ years old and are at the end of their expected lifespans. The HRA need to undertake a programme of works to replace these units. By obtaining subsidy from the MHCLG Local Nutrient Mitigation Fund this reduces the financial impact on the HRA and its 30-year business plan.

Key risks – see attached appendix A for full details

Current Risk Score:

Likelihood	3	Impact	4	Risk Score	12
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Projected risk score if recommended actions are agreed and delivered:

Likelihood	1	Impact	4	Risk Score	4
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4.4 Legal and Procurement Implications

Legal advice will need to be obtained for each site in regard the rights and obligations involved in the replacement works for both the council and the private property owners

A contract for the works will be awarded to a single main contractor. Estimates indicate this will be under £500k

4.5 HR / Workforce Implications

A project manager is being recruited on a fixed term of 2 years. This post will be 100% funded by the LNMF grant. The project manager will need some support from existing

staff who have experience of the sites, the funding arrangements and the production of the phosphate calculations.

4.6 Equalities Implications

Equalities implications have been considered and none have been identified. Please see the Equalities Impact Assessment below.

4.7 Community Safety Implications

The proposals involve construction works which carry health and safety risks. These risks will be managed as described in the risk log attached as appendix A.

There will be no effect on the public's perception of crime and disorder and anti-social behaviour rates as a result of this proposal

The proposal will neither integrate with nor have an impact upon any existing projects/services that involve other community safety partners.

4.8 Climate Change and Sustainability Implications

The replacement of the defective and poorly performing PSTPs will result in the following sustainability improvements:

- A substantially reduced risk of sewage related pollution of waterways.
- A reduction in the amount of phosphate entering into the Tone and Parret catchment and the Somerset levels Ramsar sites .
- A substantial reduction in heavy vehicle journeys to and from the sites. Currently several sites require excessively frequent emptying by tankers with some requiring one or more visits per week. This should reduce to between 2 and 4 visits per year.

4.9 Health and Safety Implications

The proposals will result in construction works including excavations. These activities potentially pose a risk to the health and safety of contractors, council employees or members of the public.

These risks will be managed as follows:

- Only suitably experienced and qualified contractors will be invited to tender. Tenders will be scored on bidders H&S management arrangements and proposals.
- The contractor will be asked to submit a construction phase H&S plan for each site before any works commence. Advice on the acceptability of each CPHSP will be sought from the H&S team.

- During construction, with support from the H&S team if necessary, the project manager will monitor arrangements for each site to ensure the CPHS plan is followed and reviewed.
- All incidents including near misses will be reported to ensure any risks which have been identified are acted on appropriately.
- Site specific risk assessments will be produced. Where risks have been identified for residents and visitors then all will be briefed on the risk assessment and instructed to comply with the requirements.

4.10 Health and Wellbeing Implications

The increased reliability of the new PSTPs will result in fewer call outs by residents and less disruption to residents use of washing and toilet facilities within their homes. For some residents this will have a positive impact on stress.

5. Social Value

Short construction timetables (2 weeks per site x 5 sites) are likely to provide limited social value outcomes. Nevertheless, for the procurement of the main contractor, a weighting of 10% will be applied to social value. The procurement team's advice will be sought prior to going out to tender, including advice on appropriate social value requirements and scoring methods within the tender documents.

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Background Papers

[Non Key Decision Transfer of Capital Funding to HRA](#)

Appendices




Appendix A - risk schedule

Report assurance

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	24/09/2024
Finance & Procurement	Nicola Hix	24/09/2024
Workforce	Dawn Bettridge	24/09/2024
Executive Director	Chris Hall	24/09/2024
Executive Lead Member	Cllr Federica Smith-Roberts	24/09/2024
Consulted:	Councillor Name	
Local Division Members	n/a	n/a
Opposition Spokesperson	Cllr Andy Dingwall	24/09/2024
Relevant Scrutiny Chair	Cllr Gwil Wren	24/09/2024

Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer or www.somerset.gov.uk/impactassessment

Organisation prepared for (mark as appropriate)	 Somerset Council	 NHS Somerset	 NHS Somerset NHS Foundation Trust
Version	1	Date Completed	16/09/24
Description of what is being impact assessed			
<p>The proposed replacement of old and defective package sewage treatment plants which serve rural dwellings which are occupied by both council tenants and private owners and tenants. These replacements will result in less maintenance and repair call outs and less disruption (short periods where residents are asked not to use facilities) for householders.</p>			
Evidence			
<p>What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the Office of National Statistics, Somerset Intelligence Partnership, Somerset’s Joint Strategic Needs Analysis (JSNA), Staff and/ or area profiles,, should be detailed here</p>			
<p>There is no relevant data</p>			
<p>Who have you consulted with to assess possible impact on protected groups and what have they told you? If you have not consulted other people, please explain why?</p>			

No groups have been consulted as no negative impacts have been identified. The positive impacts will benefit all groups who are most adversely affected by a disruption to use of toilet and washing facilities.

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> • POSITIVE OUTCOME. Some older people may be more adversely affected by a disruption in their ability to use toilet and washing facilities. There will be fewer disruptions as a result of the PSPT replacements. 	□	□	☒
Disability	<ul style="list-style-type: none"> • POSITIVE OUTCOME. Some people with disabilities may be more adversely affected by a disruption in their ability to use toilet and washing facilities. There will be fewer disruptions as a result of the PSPT replacements. 	□	□	☒
Gender reassignment	<ul style="list-style-type: none"> • No impact identified 	□	☒	□

Marriage and civil partnership	<ul style="list-style-type: none"> No impact identified 	□	⊠	□
Pregnancy and maternity	<ul style="list-style-type: none"> POSITIVE OUTCOME. Some people within this group may be more adversely affected by a disruption in their ability to use toilet and washing facilities. There will be fewer disruptions as a result of the PSPT replacements 	□	□	⊠
Race and ethnicity	<ul style="list-style-type: none"> No impact identified 	□	⊠	□
Religion or belief	<ul style="list-style-type: none"> No impact identified 	□	⊠	□
Sex	<ul style="list-style-type: none"> No impact identified 	□	⊠	□
Sexual orientation	<ul style="list-style-type: none"> No impact identified 	□	⊠	□

Armed Forces (including serving personnel, families and veterans)	<ul style="list-style-type: none"> No impact identified 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, e.g. carers, low income, rurality/isolation, etc.	<ul style="list-style-type: none"> POSITIVE OUTCOME. Some carers may be more adversely affected by a disruption in their, and those they are caring for, ability to use toilet and washing facilities. There will be fewer disruptions as a result of the PSPT replacements. As the majority of the residents live in rural areas, they are less likely to have access to alternative facilities such those provided by public conveniences, laundrettes or nearby friends and relatives 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
none	16/09/2024			<input type="checkbox"/>

If negative impacts remain, please provide an explanation below.

none

Completed by:	Shane Smith
Date	16/09/2024
Signed off by:	
Date	
Equality Lead sign off name:	

Equality Lead sign off date:	
To be reviewed by: (officer name)	
Review date:	