

Cabinet Report



Listening Learning Leading

Report of Head of Housing and Environment

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To: CABINET

Date: 8 October, 2019

Replacement of sewage treatment works in Moulsoford

Recommendations

- (a) To transfer £170,000 from the provisional capital programme (ref. no. 194, HAW Moulsoford) to the approved budget no. 103, Housing Act Works refurbishment.
- (b) To begin a procurement process to identify a suitable supplier for a new replacement sewage treatment works (STW) at Moulsoford.
- (c) Subject to the winning tender being within the capital allocation, to delegate the award of the contract to supply and install a new sewage treatment works to the cabinet member responsible for Housing and Environment via an Independent Cabinet Member Decision.

Purpose of Report

1. To provide budget to carry out the replacement of the sewage treatment plant in Moulsoford which will allow officers to start the tender process. To set out the case for procuring a new STW for Moulsoford and to obtain authorisation to begin a procurement process to supply and install a new works and to delegate authority (subject to financial limits) to award the contract, to the cabinet member responsible for Housing and Environment via an Independent Cabinet Member Decision.

Corporate Objectives

2. This project falls under a number of strategic objectives including investing in the district's future, protecting the natural environment and services that meet the residents' needs

Background

3. Moulsoford is not on mains waste water drainage and a small council owned sewage treatment works (STW) serves 57 properties in the village. Properties not connected to the works have other separate arrangements for dealing with their waste water such as septic tanks.
4. The current STW is composed of two connected sections. Waste water flows from the houses through a private sewer into a three stage solids collection tank located to the rear of 42 Underhill. The waste water is then pumped up hill to two filter beds located behind 25 Underhill where the water is treated and discharged to the ground via land drains and ditches. There is no roadway to the filter bed site so vehicle access to maintain the filter beds is difficult.
5. The District Council owns and is therefore responsible for the running and maintenance of the existing system.
6. Historically, pre 2017 in order to try to reduce future council liabilities a significant amount of officer and Monson's time was invested in negotiating with Thames Water to try to persuade them to adopt a new STW once we have upgraded the works. Unfortunately, because the site access is too narrow to accommodate Thames Water's standard sized vacuum tankers, they were not willing to agree to this. The council plans to empty the new system using a smaller tanker (as we do now), but Thames Water only want to use large tankers which can access any of their works.
7. The possibility of discharging the sewage to public sewers on the east side of the river Thames in South Stoke was also explored with Thames Water in 2013/14. This option would mean that a STW in Moulsoford was not necessary. This was option was discounted due to the very high construction costs which were estimated to be in excess of £2 million.
8. Officers have concerns about the environmental performance of the current STW as it reaches end of life.
9. It is intended to install the new works adjacent to the current solids tanks and pumping station, and to discharge treated waste water across land owned by SOHA into the highways road drainage system. The Environment Agency, SOHA and the Highways Authority have indicated that they would be content with the proposed waste water discharge arrangements and we are in the process of formalising these consents. (Appendix A show location plans for the existing and new works).
10. One garage on site and owned by South Oxfordshire District Council needs to be removed in order to facilitate access to the new works. This is because they will be located slightly further from the road and around a tight right angle bend.

Procurement

11. The proposed procurement process will be managed by Capita procurement through an open tender process advertised via the Capita portal. Our in-house engineers will act as technical consultants ensuring the project is properly managed.
12. The evaluation of tenders will be undertaken against a published criteria by a panel including council engineers, technical, procurement and legal staff. A document detailing the evaluation of each tender will be prepared along with a recommendation to the head of service for housing and environment and the portfolio holder.
13. A contract administrator will be procured separately to ensure that the council meets all the requirements including health and safety of the CDM Construction (Design and Management) Regulations 2015. They will also manage all queries about the new works for example as raised by residents and the parish council.
14. On consideration of the evaluation report the decision to award of the contract will be delegated to the cabinet member responsible for Housing and Environment via an Independent Cabinet Member Decision.

Financial Implications

15. Any decision that has financial implications must be made with the knowledge of the council's overarching financial position. This is as reflected in the council's medium term financial plan (MTFP) as reported to Full Council each February as part of the budget setting report. The February 2019 MTFP and the budget report showed that the council was due to receive £3.3 million less in revenue funding than it planned to spend in 2019/20 (with the balance coming from reserves and accumulated New Homes Bonus). This funding gap is predicted to increase to over £6 million per annum by 2023/24. Every decision should be made in cognisance of the need to substantially reduce this funding gap over the medium term and to eliminate it after five years.
16. The council has allocated £150,000 in the approved capital budget to pay for a replacement STW at Moulsoford and £170,000 in the provisional capital programme (HAW Moulsoford). Part of the overall cost will be funded from the council's reserves. The council will lose interest of £1,275 a year (assuming an average rate of return of 0.75%) by spending this money rather than investing it as it does at the moment. If the council wished to replenish the reserves over the estimated life of the scheme (1 year), then the revenue cost of this scheme will increase to £171,280 per annum.
17. The cost of the project administrator is estimated at £5,000 to £10,000.
18. Officers estimate the total cost of the project to be between £320,000 and £360,000 and therefore request that the full £170,000 is transferred from the provisional to the approved. Officers will itemise the procurement documents and allow for changes to be made to the specification so that any non-critical items can be removed to ensure that the total project cost is within budget. These items include replacement / refurbishment of damaged sections of access road, extension of a water service to the adjacent allotments and some soft landscape enhancement proposals.
19. Ongoing maintenance and running costs of the new plant will be met by residents in the same way as for the current plant. This is calculated by adding up the costs for running all the council's STW then dividing the total by the number of properties served

by all the works. The council's current policy on calculating charges for residents using council owned STWs only allows for recovery of ongoing maintenance and running costs not capital spent on upgrading works.

Legal Implications

20. Planning permission has been granted for the proposed new STW, reference P18/S2681/FUL.
21. Negotiations have been taking place with SOHA for an easement to discharge the treated effluent from the STW into the highways surface water drain across SOHA land involving easements/agreements with SOHA and Oxfordshire County Council Highways authority who own the drain. Separately Council officers have already obtained Environment Agency consent for the revised discharge arrangement.
22. Following the tender process, a suitable standard form of works contract will be entered into with the selected provider to address risk and liability of the parties. The risk assessment has also highlighted the need for a performance bond which will be required.
23. Contracting and development always carries legal risk and legal documents cannot mitigate all of those risks because they need to balance the positions of both parties. Officers have worked hard to ensure that the package of documents which will be put to the market will be on a basis acceptable to the market as well as the Council and known risks mitigated as far as possible.

Risks

24. Officers have carried out a full risk assessment as part of the project management process.
25. Officers are in the process of formalising consents with SOHA, the Environment Agency and the Highways Authority, but until they are formalised there is a risk that they will not be forthcoming. This risk is considered to be low as officers have had informal agreements from the partners.
26. Building regulations permission will be needed for the STW. The design is very similar to other package STWs the council has installed in other locations and obtaining building regulations and the in-house engineers consider that approval is likely to be relatively straightforward.

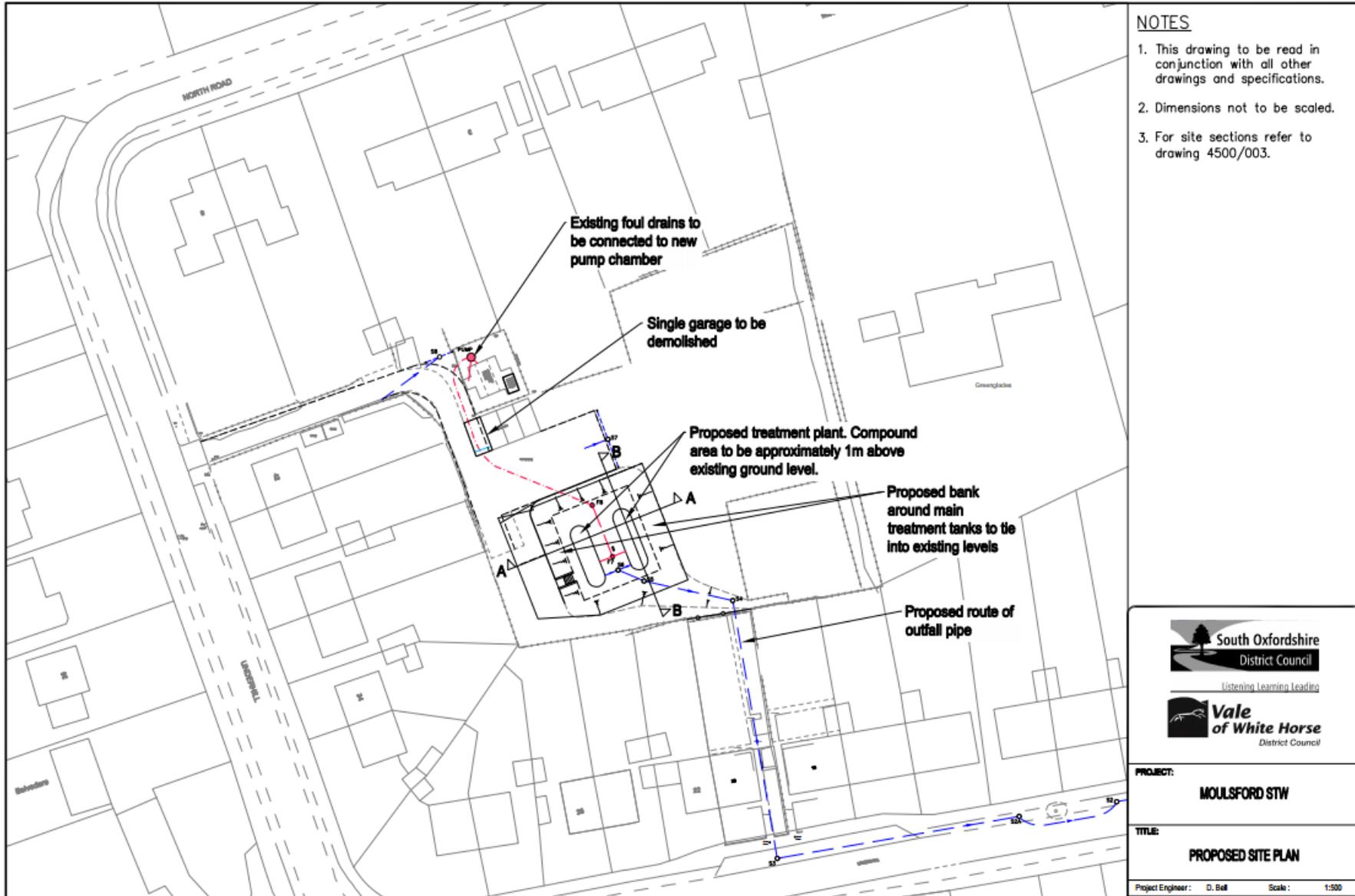
Conclusion

27. Officers have considered a range of options to resolve the capacity, design problems and age of the current STW. Having considered the options the preferred proposal is to undertake an open tender to replace the current STW with a new system designed to accommodate the volume of sewage produced by the 57 houses connected.

Background Papers

- None

Appendix A Location of proposed new sewage treatment plant in Underhill, Moulsoford



- NOTES**
1. This drawing to be read in conjunction with all other drawings and specifications.
 2. Dimensions not to be scaled.
 3. For site sections refer to drawing 4500/003.

 <p>South Oxfordshire District Council Listening Learning Leading</p>	
 <p>Vale of White Horse District Council</p>	
PROJECT:	
MOULSFORD STW	
TITLE:	
PROPOSED SITE PLAN	
Project Engineer :	D. Bell
Scale :	1:500

