

The Vale of Glamorgan Council

Cabinet Meeting: 18 December, 2017

Report of the Cabinet Member for Housing and Building Services

Channel View, Marcross Cesspool Replacement - Options Appraisal

Purpose of the Report

1. To seek Cabinet approval for the commissioning and procurement of an options appraisal and viability assessment exploring the potential replacement of the Channel View cesspool.

Recommendations

1. That Cabinet notes the general situation regarding ownership and emptying of the housing communal cesspool at Channel View, Marcross by the Council.
2. That Cabinet authorises the Director of Environment and Housing Services to commission an options appraisal and viability assessment, funded from the Housing Revenue Account, considering alternative sewerage solutions at Channel View.
3. That Cabinet receives a further report in due course identifying the options and relevant issues arising from the analysis.

Reasons for the Recommendations

1. For information
2. To inform further more detailed deliberation.
3. To enable consideration of any alternative long term sewerage solution.

Background

2. Council housing constructed in more rural areas of the Vale is commonly served by a communal cesspool. The sale of former Council properties over a number of decades has left cesspools in the ownership of the Council which serve few or no Council housing properties. In some instances the land containing the cesspools serving current Council housing stock has been sold, whilst the Council retains the right to access and empty the cesspool.

3. The cesspool at Channel View serves 10 properties of which 3 remain in Council ownership. The cesspool has been relined and brought up to a good condition by the Council in 2011.
4. As is the case in relation to properties in private ownership, the current owners of former Council properties have an obligation to contribute to the maintenance and operational costs for the drainage serving their property, unless Dwr Cymru / Welsh Water (DCWW) has assumed responsibility for elements of the system including regular emptying.
5. In 2015 Cabinet considered a report highlighting a number of issues relating to the management and costs associated with the cesspools which had been the source of various pollution incidents resulting from the failure of residents to arrange regular emptying.
6. In the case of the Channel View cesspool, serving No's 1 - 10, emptying costs have been incurred by the Council since the 7 privately owned properties were purchased and from 2003 until April 2016 the cesspool had been emptied by the Council under default of a Notice served under Section 50 of Public Health Act 1936.
7. Payments have not been made to discharge the Notices which had been served on the residents to recharge emptying costs in default, which has resulted in the Council continuing to meet the costs of the service.
8. Council tenants had not previously been required to cover the full emptying costs at Channel View through their rents. The water and sewerage element of the rent to Council dwellings is not covered by Housing Benefit as an eligible cost and therefore the full cost of the new charging regime would have fallen on the tenants. This would have equated to tenants having to find an additional £35 - £40 per week to pay for their sewerage charge.
9. Cabinet considered that these properties would become unaffordable to those on low incomes potentially leading to homelessness and financial difficulties for existing tenants and that any future vacancies would be unaffordable to those in acute housing need and potentially limiting lettings to those on relatively high incomes.
10. In light of the above, Cabinet recommended that officers subsidise those rents bringing them in line with other Council tenants across the Vale. It was estimated in 2015 that this would equate to an annual subsidy of over £7,631.49
11. These full costs would fall on the HRA and the Council would only recover a proportion via rent income.
12. Any repair costs required to the cesspit structure or associated pipework for which the tenant would be responsible must be met from the general net rent and not charged separately.

Relevant Issues and Options

13. Property owners are responsible, proportionately, for the cost of emptying and maintenance of the cesspool regardless of income and in line with relevant obligations contained within their covenants when the properties were originally sold through the right to buy. For financial year 2016/17 this equated to £3,000.38 per property.
14. The Council is obliged to recover its costs and outgoings and as result has since April 2016 continued to issue regular invoices requesting payment.

15. As a result residents began to explore whether there were alternative, modern sewerage systems available that could reduce the costs of ongoing emptying thereby reducing their liabilities in the long term.
16. In April 2017 officers were approached by a specialist drainage company, engaged by the residents, proposing alternative individual package treatment works for the properties and enquiring whether the Council would be interested in including the remaining 3 Council properties in such a scheme. Officers advised that a similar proposal had been explored by the Council previously but soil percolation tests had failed and as a result National Resources Wales (NRW) would not sanction such a scheme. Further advice was provided in relation to the requirements of the Council if residents decided to disconnect from the cesspool and an in principle indication that Council would consider viable proposals which included the three remaining Council properties.
17. In May 2017 the Contractor again contacted the Council proposing an alternative preferred solution; changed from individual package treatment works to a communal system discharging to the nearby watercourse. This would require the use of the current site of existing cesspool, potentially connecting into the watercourse at a distance of approximately 70m. In principle this approach is technically viable, subject to obtaining all necessary approval / permits and funding for the installation and ongoing maintenance costs.
18. The contractor indicated, based on estimated capital installation costs and approximate savings of £2,500 per annum per property (i.e. the difference between current cesspool emptying costs and estimated ongoing revenue for the new plant) that payback on the investment was potentially achievable in 4-5 years. Any scheme however would require all of those currently connected to the existing arrangement to transfer to the new package treatment works. Consequently the Council was asked whether it would consent to such an arrangement and wanted to include its own properties.
19. Given the potential financial, technical and legal complexities associated with such a project, a number of internal officer meetings took place in the early summer to explore the feasibility of the proposed scheme.
20. Based on the initial untested figures and technical specification provided to Council officers, the scheme as envisaged appears achievable. In terms of the financial viability, based on a proportionate contribution from all those connected, the scheme is given potential pay back on investment in 4-5 years. This is particularly relevant to the Council given the ongoing subsidy via the Housing Revenue Account, which equates to £7631.49 per annum that ensures the rent charged on Council properties remains affordable for tenants.
21. In terms of legal issues a number of areas may need further more detailed analysis. As previously mentioned legal covenants apply to the current arrangement which would need to be amended and there are a number of land ownership issues that would need to be clarified and resolved. However these issues should not be insurmountable given a full commitment from all parties to progress an agreed solution.
22. At the end of September, following contact from one of the local ward members, the Community Council and residents, the Director of Environment and Housing Services convened a meeting to discuss the proposal in more detail and to consider a way forward. The meeting was constructive and useful in terms of understanding the principles of the proposal but also allowed officers to raise legitimate concerns

regarding the management of the project, financial accountability & governance in terms of the public purse.

23. Discussions also centred on future arrangements and prevention of any recurrence of previous difficulties in terms of maintenance liabilities and responsibility in managing and arranging works to a new facility.
24. It was agreed at the meeting that, given those complexities, the Council would seek authority from Cabinet to lead the project which would take the form of 2 distinct phases. Firstly to commission a suitably qualified practitioner to undertake a technical feasibility and cost study potentially leading to the development of specification to tender for a replacement solution. The Council drainage section does not have the capacity to undertake this work at the present time due to a high number of other priority drainage schemes which are currently being progressed.
25. It is recommended that this initial stage feasibility be funded by the Housing Department as cesspool owner particularly given the potential future savings accruing to the HRA from a cheaper, alternative package treatment works.
26. As land owning Department and cesspool owner, the use of this funding stream is consistent with the need to reduce future, indefinite subsidy being borne by the Council's other tenants. This does not create a future financial commitment or precedent in any future discussions with private owners in relation to any proposed replacement scheme. Further consultation will be required to ensure that any future solution is affordable and in line with a requirement for all property owners to contribute to the costs of replacing, managing and maintaining an alternative treatment works.
27. The second stage would see the preparation of a further Cabinet report to inform Cabinet of the results of the study and to consider options and recommendations that flowed from it.
28. Members should be aware that this project will not prejudice the Council's ability to recover emptying costs from the residents, either through the existing arrangement or by residents signing up to a new agreement. If one of the owners refuses to contribute to this communal approach then it may stall the process. Council officers have already informally approached NRW who have indicated without prejudice that the scheme as envisaged may be acceptable.

Resource Implications (Financial and Employment)

29. Due to current priority drainage projects and resultant officer capacity it is not possible to undertake this work "in- house". It is estimated that a cost provision of £15,000 be set aside from the Housing Revenue Account to fund the feasibility study. The project will be overseen by officers from within the Councils Engineering and Housing sections. The commissioning of a suitably qualified consultant to undertake this work will be in line with the Councils Contract Standing Orders and Financial Regulations.

Sustainability and Climate Change Implications

30. The feasibility study will identify the potential benefits in terms of sustainability, reduction in the carbon footprint as well as any cost savings. Clearly any proposal if implemented will need to demonstrate adherence to the Council principles enshrined in the Well-being of Future Generations Act and sustainable development policies.

Legal Implications (to Include Human Rights Implications)

31. Whilst there are no direct legal implications arising from this report any future report recommending alternative sewerage solutions will need to address legal and statutory matters.

Crime and Disorder Implications

32. No implications.

Equal Opportunities Implications (to include Welsh Language issues)

33. Cesspool management at this site, by its very nature, is relatively costly to fund and is not in line with costs associated with historical charging regimes for those on mains drainage. The charges reflect the Councils actual costs and in line with the relevant covenants require residents to pay an equal proportion of those costs. Therefore no account is taken of individuals' relative means and some residents may as result suffer financial hardship. The delivery of an alternative cheaper form of sewerage arrangement is likely to have a positive impact on those residents who do not work, are on low pay or are elderly.

Corporate/Service Objectives

34. Wellbeing outcome 1: An inclusive and Safe Vale
Objective 2: Providing decent homes and safe communities
Action: Increase the number of sustainable, affordable homes. (2019/20)

Policy Framework and Budget

35. This report is a matter for Executive decision by Cabinet.

Consultation (including Ward Member Consultation)

36. Local ward members have been included in discussions and meetings regarding this report and associated matters.

Relevant Scrutiny Committee

37. Homes and Safety Communities

Background Papers

None

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Officers Consulted

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Responsible Officer:

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