

REPORTS FROM THE EXECUTIVE AND COMMITTEES TO COUNCIL

REPORT OF THE INVESTMENT BOARD

1 Refurbishment/Construction of New Public Conveniences in the Rochford District

1.1 This item of business was referred by the Investment Board on 11 July 2017 to Full Council with recommendations on investment into the construction/ refurbishment of toilet blocks to facilitate their transfer to the appropriate Parish/Town Council. An extract of the key elements of the report of the Assistant Director, Environmental Services to the Investment Board is appended (see Appendix) together with the Business Case.

1.2 The Investment Board noted that:-

- The projected savings detailed in the report were all revenue savings.
- The renovation or replacement works for the toilet blocks would be subject to a full tender process.
- The estimate provided by Southend Borough Council for the cost of refurbishment of the toilets, following a survey they had undertaken, was based on current prices and on their experience of similar construction works in the Southend Borough. Although the cost of refurbishment of Crown Hill toilet block was high, the works would be undertaken to a high specification, with an expected life of at least 10 years. The works themselves would be subject to the Council's full tender process.
- The Council's Asset Team had advised of the potential for an alternative commercial use of the Crown Hill, Rayleigh toilet building, if it were to be refurbished. Potentially, a building such as this could command a reasonable rental price on the open market and, in addition, there would be no cost of demolition to the Council. Although this did not form part of the current discussions, it could be considered by Investment Board at a later date.
- To recognise a saving for cleaning of the toilets, the cleaning element of the contract with SITA would need to be terminated completely; SITA would not deliver a contract for any toilet blocks that remained open.
- A contingency amount of 10% of the estimate price had been included to recognise the possibility of a variation in price when the refurbishment/ construction works went to tender. Even at a higher cost there would be a substantial return on investment, although the figures quoted in the report were robust and achievable.

- The savings detailed in the report to calculate a potential yield of 15% did not take into account that the costs were merely being transferred to the Parish/Town Councils and thus did not achieve actual saving for the public purse.
- It could be appropriate to include a break clause in the contract in favour of the Parish/Town Councils so that, if for any reason they were unable to perform their operation of the toilets transferred to them, responsibility could revert to the District Council. Without such provision, there was concern that the Parish/Town Council's funding could be capped. Officers advised that during negotiations there had been open and frank discussion with the Parish/Town Councils and that the proposal for a ten-year agreement, rather than a short-term agreement, had come from the Parish/Town Councils. Furthermore, Parish/Town Councils were aware of potential capping and other revenue streams available to them if such a situation should arise.
- The toilet facilities at Southend Road, Hockley and High Street, Great Wakering did not form part of the current recommendations to Council. The District Council was still in discussion with both Hockley and Great Wakering Parish Councils regarding the future of their toilet facilities.

It is proposed that Council **RESOLVES**

That the transfer of the Rayleigh, Rochford and Hullbridge toilets be secured as a 10 year lease to the respective Parish/Town Councils, and that authority be delegated to the Assistant Director, Environmental Services, in consultation with the Portfolio Holder for Environment, to undertake installation of the refurbishment/replacement of public conveniences with an allocated capital budget of £330,000, as set out in the report, funded from the Transformation Reserve.

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**ROCHFORD DISTRICT COUNCIL
Business Case for Refurbishment/
Construction of new Public Conveniences in
the Rochford District
20TH June 2017
Assistant Director Environment
M. Hotten**

**Business Case for Refurbishment/ Construction
of new Public Conveniences**

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Business Case for Refurbishment/ Construction of new Public Conveniences

1. Introduction

At Council, held on 13th of February 2017, to assist with contributing to a balanced financial budget for future planning of the Medium Term Financial Strategy, it was identified that a saving of £75,000 against the Public Toilet expenditure be achieved.

The below Business case sets out an approach to achieving that saving.

2. Aims:

- The report sets out a robust business case for investment in the construction/refurbishment of toilets blocks to facilitate their transfer to the appropriate parish/town council.

3. Background

At Council- 13 December 2016, on the subject of the Public Toilet Strategy it was resolved that:

(3) *Authority be delegated to the Assistant Director, Environmental Services, in consultation with the Portfolio Holder for Environment and Portfolio Holder for Enterprise, to negotiate suitable lease arrangements with the relevant Town/Parish Councils.*

(4) *That should the negotiations in (3) above have been successful, the Investment Board be asked to present a business case in line with the budgetary principles set out in appended options document for the installation of replacement toilets.*

Consequent negotiations with regard to lease arrangements with: Rayleigh Town Council; Hullbridge Parish Council, and Rochford Parish Council are now drawing to conclusion with all three Councils having agreed the lease arrangements and Heads of Terms in principle. Therefore the subsequent business case for each respective block of toilets can now be drawn up reflecting any changes made to the initial proposals through discussions with each town/parish council.

4. Rochford District Council's Public Conveniences

There are six public toilet facilities owned by Rochford District Council, cleaned and maintained by SUEZ environmental as part of the Council's Street Cleansing contract. These six toilet facilities are located at:-

- Back Lane, Rochford
- Southend Road, Hockley

- High Street, Great Wakering
- Ferry Road, Hullbridge
- Crown Hill, Rayleigh
- Hockley Woods, Hockley

The toilets in Hockley Woods are provided for the visitors and staff, and have not been considered as part the scope of this report, serving a specific amenity function for Hockley Woods.

5. Annual Cost of Public Conveniences

The total annual revenue cost of maintaining and cleaning the Council’s public conveniences is set out below.

Table 1 –Annual budget for Rochford District Council’s Public Conveniences (2016/2017)

Item	Annual Cost
Utilities	£7,600
Business Rates	£5,800
Maintenance	£10,700
Cleaning	£75,000
Total	£99,100

This has been further broken down into the individual sites for comparison of cost.

Table 2 - Annual Budget of Rochford District Council’s Public Convenience (2016/2017) for individual sites

	Cleaning	Building Maintenance	Utilities	Business Rates	Total
Back Lane, Rochford	£12,500	£1,800	£1,350	£2,070	£17,720
Southend Road, Hockley	£12,500	£1,800	£500	£480	£15,280
High Street, Great Wakering	£12,500	£1,800	£600	£990	£15,890
Ferry Road, Hullbridge	£12,500	£1,800	£750	£810	£15,860
Rayleigh, Crown Hill	£12,500	£1,800	£2,400	£1,450	£18,150
Hockley Woods	£12,500	£1,700	£2,000	n/a	£16,200
				Total	£99,100

The costs for individual sites can be seen to be broadly similar; this is due to approximately three-quarters of the cost being attributed to the cleaning contract, which has been apportioned in equal amounts across the six public conveniences blocks that are visited.

6. Long-Term Maintenance Costs

Of the five public convenience buildings, only the High Street, Great Wakering toilets has received any significant capital expenditure in the past 10 years.

An independent condition survey (March 2017, Southend Borough Council) was commissioned so as to identify repairs and maintenance works that are deemed necessary, and further, that the report allow these works to be costed, prioritised and planned.

In the case of all three of the blocks surveyed, it was recommended that a complete internal and external refurbishment of the toilet facilities be considered within the next three to four years. This would address the majority of the works identified within the condition surveys.

The estimated cost of each respective refurbishment is set out in the table below. However, in terms of setting an appropriate capital budget for the 10 year period, it was recommended that taking the cost for full refurbishment, and allowing additional 12 % cost for management fees and a 10% cost for contingency, would be a prudent approach. These costs are set out in the table below.

Table 3 – Summary of 10 year recommended budget allocation

Facility	Refurbishment	Fees(12%)	Contingency (10%)	Total Cost
Crown Hill, Rayleigh,	£130,000	£15,600	£13,000	£158,600
Back Lane, Rochford	£80,000	£9,600	£8,000	£97,600
Ferry Lane, Hullbridge	£ 65,000	£7,800	£6,500	£79,300

7. Parish/Town Councils

Discussions have been held with a leading provider of modern toilet facilities to identify possible suitable alternative facilities and provide an estimated budget to provide and oversee installation.

Any new construction or refurbishment would offer a reduced number of cubicles in comparison to existing toilet provision, but would reflect the current usage of each set of public conveniences as identified by the survey work. The expected life of such conveniences would be in excess of 20 years, with examples of similar

construction found in the Southend-On-Sea Borough in good condition after a 10 year period.

7.1 Crown Hill Toilets, Rayleigh – Rayleigh Town Council

Lease negotiations with the Town Council have concluded that they wish to close the existing block, and install a new purpose built block, totalling a cost of £135,000 as set out in the table below.

Table 4 – Estimated Cost of New Toilet Block, Rayleigh

Facility	Accessible WC Cubicles	Standard Cubicles	Cost	Demolition	Contingency	Total Cost
Rayleigh, Crown Hill	1	3	£106,000	£17,000	£12,000	£135,000

The existing block would not be demolished, but an alternative commercial use of the building would be sought. This would be subject of a further Investment Board report for separate consideration, tentative enquiries at this stage indicates that a viable alternative use for the building can be secured.

Demolition of the Crown Hill toilets would cost an additional £17,000 and has been factored into increased contingency costs should any future business proposal for the existing block not stand up to scrutiny.

7.2. Back Lane Toilets, Rochford – Rochford Parish Council

Lease negotiations with the Parish Council have concluded that they wish to refurbish the existing block totalling a cost of £111,000 as set out in the table below.

Table 5 – Estimated Cost of Refurbishment Back Lane, Rochford

Facility	Accessible WC Cubicles	Standard Cubicles	Cost	Demolition	Contingency	Total Cost
Back Lane, Rochford	1	4	£100,500	n/a	£10,500	£111,000

The toilets at Back Lane are part of a larger contiguous land parcel in Council ownership which may present an opportunity for future development. However, the

lease will ensure that should any such opportunity present itself that the Council will have the option to terminate the agreement should it wish to do so.

Any potential larger development plan would be in the medium to long-term, therefore it is anticipated that break-even, on any return on the initial investment would have been realised by that time should any future plans require the relocation or removal of the existing toilet facilities.

7.3. Ferry Road Toilets, Hullbridge- Hullbridge Parish Council

Lease negotiations with the Parish Council have concluded that they wish to demolish the existing block and install a new purpose built toilet block totalling a cost of £84,000 as set out in the table below.

Table 6 – Estimated Cost of New Toilet Block, Hullbridge

Facility	Accessible WC Cubicles	Standard Cubicles	Cost	Demolition	Contingency	Total Cost
Hullbridge, Ferry Lane	1	0	£63,000	£13,500	£7,500	£84,000

Summary of Total Capital Cost for Proposed Renovation/Replacement of Toilet Blocks

Table 7 – Estimate Cost for Replacement/refurbishment Public Conveniences

Facility	Accessible WC Cubicles	Standard Cubicles	Cost	Demolition	Contingency	Total Cost
Hullbridge, Ferry Lane	1	0	£63,500	£13,000	£7,500	£84,000
Rayleigh, Crown Hill	1	3	£107,000	£17,000	£12,000	£135,000
Back Lane, Rochford	1	4	£100,500	n/a	£10,500	£111,000
					Total	£330,000

The new construction would offer a reduced number of cubicles in comparison to existing toilet provision, but would reflect the current usage of each set of public conveniences as identified by the survey work.

The expected life of such these conveniences would be in excess of 20 years, with examples of similar construction found in the Southend-On-Sea Borough in good condition after a 10 year period.

These modern constructions are designed to reduce vandalism and misuse. There are no lobbies where customers can congregate, the fittings and buildings are robust, functional and welcoming, and the external and internal surfaces are readily cleansable and graffiti resistant.

8. Conclusion

The costs and saving benefits are set out in the table below.

	Hullbridge	Rochford	Rayleigh	Total
Annual Saving to RDC	£15,860	£17,720	£18,150	£51,730
10 year revenue saving for RDC	£158,600	£177,200	£181,500	£517,300
Capital Expenditure Saving over 10 year period	£79,300	£97,600	£158,600	£335,500
			Total Saving	<u>£852,800</u>
Cost of installation of new facility	£84,000	£111,000	£135,000	£330,000
Total Net Saving over 10 year period	£153,900	£163,800	£205,100	£522,800

Total Net Saving over 10 years

(Present Value)

£119,442 £127,102 £169,799 £416,345

In summary an investment of £330,000 will generate approximately a net saving of £522,800 over the period of 10 years (£416,345 present value), and can be viewed as a favourable return, generating a yield of approximately 15% per annum over the life time of the project, with a payback period of approximately 4 years including cost avoidance.

Further, it can be demonstrated the each toilet block warrants investment on its individual merits.

9. Recommendations:

That the transfer of the Rayleigh, Rochford, and Hullbridge toilets be secured as a 10 year lease to the respective parish/town councils, and that authority be delegated to the Assistant Director of Environment, in consultation with the Portfolio Holder for Environment, to undertake installation of the refurbishment/ replacement of public conveniences with an allocated capital budget of £330,000 as set out in the report

Appendix

A summary of the extent of the priority and cost of works is set out in the table below.

Table 3 – Summary of maintenance cost for toilet blocks

Priority	Years	Rayleigh (£)	Rochford (£)	Hullbridge (£)
1 – Urgent, prevent immediate closure	0-1	280	2,100	
2 – Essential, prevent serious deterioration of the fabric	2-3	6,928	7,498	1,503
3 - Desirable, prevent deterioration of the fabric	3-4	166,765	92,620	84,125
4 – long term, often beyond 10 year planning cycle	5+	5,790	220	250
	Total Cost	179,763	102,438	85,878

The majority of the works for all three toilet blocks are identified as a 'Priority 3'. This priority of works has been advised by the surveyor within the context of fifteen year planning period. Although at present Priority 3 works are regarded as desirable, should the work not be carried out within 3-4 years as outlined, then the fabric of the building will deteriorate further, and result in such works becoming essential within 4 to 5 years from present.

For the business case being put forward, whereby the buildings are leased for a 10 year period, the Priority 4 costs can be disregarded.