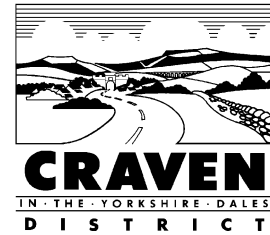


Policy Committee (4th March 2014)

SKIPTON BUS STATION TOILETS



Report of the Director of Services

Ward(s) affected: All Wards

1. Purpose of Report

To seek a Member decision on the future use of the toilet block building at Skipton Bus Station.

2. Recommendations - Members are recommended to:

- 2.1 Approve the redesign of the internal layout of the toilet block building at Skipton Bus Station to increase the public convenience provision and create a small kiosk for commercial let (Option 1).
- 2.2 Request a supplementary capital estimate of £49,000 to fund the works required to the internal layout of the building.

3. Background

- 3.1 Skipton Bus Station was redeveloped in 2009. As part of the redevelopment two self-cleaning unisex toilets were installed.
- 3.2 A 15 year cleaning and maintenance contract with a break option after 5 years was agreed with Healthmatic on 1st February 2009 to ensure their high specification toilets were kept to a higher standard than is the norm with unattended public conveniences. The agreement included bi-monthly servicing, all call outs, parts and repairs and a cleaner attending the site daily.
- 3.3 A budget of £18,000 per annum plus incremental yearly increases for inflation was approved to support the ongoing revenue expenditure associated with cleaning and maintaining the toilets.
- 3.4 The actual net cost of operating the facility in 2012/13 was £21,760. A breakdown is shown in table 1a below.

Skipton Bus Station Toilets – Actual Costs 2012/13 (£)	
External services (cleaning, consumables and maintenance)	19,403
NNDR	1,748
Electricity	766
Water	565
Sewerage	278
Income	(1000)
Total	21,760

Table 1a

- 3.5 Users of the facilities are charged 20p generating an annual income in 2012/13 of approximately £1,000, indicating there are around 5,000 paying users per annum. In addition radar key holders can access the facilities free of charge and it is estimated there are approximately 16,000 users of the facility per annum.

The usage of the bus station toilets compares to a minimum of 28,000 per annum at the Coach Street toilets in Skipton and in excess of 150,000 per annum at the toilets at the rear of Skipton Town Hall although there are a greater number of cubicles at each of these sites.

- 3.6 Since entering into the cleaning and maintenance agreement in 2009 the financial climate has changed significantly. With the backdrop of continuing reductions in central government grant Craven District Council has reduced its net revenue budget down from £9.5m net to £6.6m in 2014/15 and, with the benefit of hindsight, it is unlikely the Council would have entered into a five year contract for such a high level of cleaning and maintenance provision given future financial pressures.

- 3.7 In the drive for savings and efficiencies the maintenance contract for the bus station toilets was identified as a potential saving and included in the income and savings plan forming part of the Councils Medium Term Financial Plan. The estimates within the 2014/15 MTFS show the Council needs to achieve further savings of £215k in 2015/16, rising to £389k in 2016/17 and then to £543k in 2017/18.

A target amount of £19,000 revenue saving per annum from the bus station toilets was included in the income and savings plan for 2014/15. The maintenance contract's break clause was dated 31st January 2014 and notice was given to end the contract. This report assesses the options for the future of use of the bus station toilet block building.

4. Options Appraisal

- 4.1 To secure the required revenue budget saving of £19,000 in full there are three options:- Option 1) redesign the internal layout of the toilet block building at Skipton Bus Station to increase the public convenience provision and create a small kiosk for commercial let; Option 2) sell the building; or Option 5) convert the building to commercial use.

There are two further options that contribute to the required revenue saving in part:- Option 3) retain the two high specification toilets and reduce the existing cleaning and/or maintenance levels; or Option 4) replace the two high specification with toilets to be serviced and maintained by the Council.

- 4.2 The option to demolish the building and use the footprint for additional town centre car parking is not proposed as it demolishes an existing building in good condition, which was only constructed as recently as 2009 and is considered a viable asset.
- 4.3 Each of the five options is explored in further detail below, with advantages and disadvantages identified together with a cost analysis. A summary of the options is provided at Appendix 1.

Option 1 - redesign the internal layout of the toilet block building at Skipton Bus Station to increase the public convenience provision and create a small kiosk for commercial let.

- 4.4 In this option the two existing high specification toilets would be removed and the internal layout re-designed to create up to six standard and two accessible toilets with a small kiosk / information point for commercial use.

4.5 Consideration was given to converting the whole of the building to commercial use (Option 5) however to ensure public convenience provision at or near the current location it would be necessary to establish a PALs scheme with a local business. PALs is a scheme where a local business allows its toilets to be used by the general public in return for an annual payment from the local council. Discussions with local businesses in the vicinity of the bus station have however indicated no interest in adopting PALs at the current time.

It should also be noted that if a PALS scheme was agreed it would have limited opening hours dependant on the business which adopted the scheme. Further, if the business adopting the scheme ended the arrangement or closed their business this could lead to the Council potentially being left without any public convenience facilities.

4.6 Given a public convenience has been established at the bus station location for a number of years and the lack of interest in a PALS scheme approach the preferred approach is to at least retain public convenience facilities at the bus station whilst at the same time exploring the opportunity to maximise the use of the footprint to include potential commercial use.

The estimated capital and revenue costs for Option 1 are set out in table 1b below.

Option 1 – redesign the internal layout of the toilet block building at Skipton Bus Station to increase the public convenience provision and create a small kiosk for commercial let	
Capital Expenditure	£
Conversion to part commercial unit / part public conveniences	49,000
Revenue Expenditure	
Cleaning and maintenance	4,000
NDR	900
Electricity	500
Water and Sewerage	683
Rental Income	(3,500)
Toilet Contributions	(2,000)
Total	583

Table 1b

- Advantages
 - Retains existing public convenience provision.
 - Increases the number of public conveniences available addressing complaints about waiting times to use the facilities.
 - Increase income received by providing additional public conveniences
 - Provides rental income generating opportunity for the Council.
 - Provides an opportunity for an information point at a convenient site for local residents and visitors
 - Increases the services available at the bus station location.
 - Increases presence on the bus station site acting as a deterrence for damage etc
 - Meets the required budget saving as set out in the income and savings plan
 - 2.3 year pack back period on capital outlay
 - Reduces NDR and electricity running costs as these costs would be shared with the commercial tenant.

- Disadvantages

- Maintenance of the toilets will require Craven District Council officer time
- Requires planning permission for change of use.
- A risk no tenant is identified for the retail unit thereby extending the payback period.
- Facilities closed for approximately six months whilst conversion work is carried out.

4.7 The payback period is calculated by dividing the initial investment cost (£49,000) by the net cash inflows (i.e. savings achieved in the operating costs, plus increased income (21,177)).

4.8 A variation on Option 1 to convert the building to commercial use in its entirety (Option 5) would generate rental income of £5,000 with no annual revenue expenditure. In this option the pay back on capital invested (£54,000 capital investment required) would reduce to 2.0 years. However, as discussed in paragraph 4.5 above, this option is not recommended due to the likelihood that alternative toilet provision could not be identified in close proximity to the bus station.

Option 2 – dispose of the property on the open market

4.9 There are no capital or revenue costs associated with the disposal of the property on the open market although a small contingency for NNDR and maintenance whilst the property is for sale would be required.

- Advantages

- Creates a commercial opportunity for local business
- No capital investment required
- Meets the required budget saving as set out in the income and savings plan
- Capital receipt of £20,000 - £30,000 (with planning permission for change of use).

- Disadvantages

- Probable loss of public convenience facility as the building is likely to be used as a retail unit.
- Likely to require planning permission for change of use.
- A risk no buyer is identified and the asset becomes a liability.

Option 3 – reduce existing cleaning and/or maintenance levels

4.10 This option retains a public convenience provision but with a reduced level of saving than that required by the MTFs. This option assumes that the Council can reduce the cleaning, maintenance and utility costs to £15,704 by either taking on some of the cleaning and maintenance itself or renegotiating the contract with Healthmatic.

The existing maintenance and cleaning contract stipulated a daily clean. A daily clean would be substituted by a periodic deep clean, less frequent inspections and service visits reduced.

4.11 The estimated capital and revenue costs for Option 3 are set out in table 3 below.

Option 3 – reduce existing cleaning and/or maintenance levels	
Capital Expenditure	
Nil	
Revenue Expenditure	
	£
NNDR	1,755
Cleaning and Maintenance	11,100
Annual Deep Clean	1,000
Consumables	400
Electricity	766
Water and Sewerage	683
Income	(1,000)
Total	14,704

Table 3

- Advantages
 - Retains public convenience facilities
 - No capital investment required
 - Generates an annual revenue budget saving of approximately £7,000

- Disadvantages
 - Does not meet the required annual revenue budget saving and a replacement saving will need to be identified.
 - Retains expensive to maintain toilets
 - Does not increase the number of toilets available at the bus station
 - Does not provide for a small commercial opportunity to offset operational costs

Option 4 – replace two existing high specification toilets with standard public conveniences

- 4.12 Healthmatic would be instructed to remove the two cubicles currently in place (the toilets belong to the Council however the Council can instruct Healthmatic to remove them) The Council would then install 10 standard cubicles and 2 accessible toilets.
- 4.13 The Council would hire a cleaning contractor and Craven District Council officers would manage the cleaning contract, inspect the toilets on a regular basis and arrange repairs.
- 4.14 The estimated capital and revenue costs for Option 4 are set out below.

Option 4 – replace existing Healthmatic toilets with toilets maintained by the Council	
Capital Expenditure	
	£
Remove and install alternative public conveniences	85,000
Revenue Expenditure	
NNDR	1,755
Cleaning and Maintenance	6,500
Consumables	400
Electricity	766
Water and Sewerage	683
Income	(2,000)
Total	8,104

Table 4

- Advantages
 - Retains public convenience facility
 - Increases the number of public conveniences available addressing complaints about waiting times to use the facilities
 - Generates an annual revenue budget saving of approximately £13,000
- Disadvantages
 - Does not meet the required annual revenue budget saving and a replacement saving will need to be identified.
 - Requires capital investment
 - Has a 6.5 year pay back due to the increased capital investment required to fit the whole unit with public conveniences.
 - Maintenance of the toilets will require Craven District Council officer time.
 - Does not provide for a small commercial opportunity to offset operational costs

5. Conclusion

- 5.1 If the Council is to deliver the required revenue saving there are three viable options: redesign the internal layout and create a small kiosk for commercial let (Option 1): convert the building to a commercial unit in its entirety (Option 5) or sell the building (Option 2). However, given there has been a public convenience facility in this location for a number of years and is visited by bus users the preferred way forward would be to maintain some public convenience facility if possible.
- 5.2 Removing the two existing high specification toilets provides an opportunity to utilise the footprint more effectively. A greater number of toilets can be provided, addressing complaints received regarding waiting times. There is also scope to provide a small kiosk that would generate an income stream that would help offset the costs of maintaining the facilities. Option 1 is therefore the recommended way forward.

6. Implications

6.1 Financial and Value for Money (vfm) Implications –

If the option selected requires capital investment a supplementary capital assessment would need to be recommended to Council.

The income and savings plan which forms part of the MTFs requires a saving of £19,000 from the bus station toilets. If this amount is not generated by the chosen option, an alternative income stream or revenue saving must be identified.

6.2 Legal Implications –

None arising directly from this report.

7 Contribution to Council Priorities –

The review of the provision of toilets at the Skipton Bus Station and the associated maintenance costs contributes to the council priority 'Financial Resilience' by ensuring the Council remains financially sustainable.

8 Equality Impact Assessment –

The Council's Equality Impact Assessment Procedure has been followed. An Equality Impact Assessment has been completed on the proposals as completion of Stage 1- Initial Screening of the Procedure identified that the proposed policy, strategy, procedure or function does not have the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation,

9 Author of the Report –

Paul Ellis, Director of Services Telephone 01756 706318; e-mail:pellis@cravendc.gov.uk

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

Appendix 1 – Summary of the Options

OPTIONS ANALYSIS						
	2012/13 Operating Costs	Option 1	Option 2	Option 3	Option 4	Option 5
	£	£	£	£	£	£
Capital investment / (receipt)		49,000	(25,000)		85,000	54,000
Net Revenue Costs:						
External Services (cleaning etc)	19,403	4,000		12,500	6,900	
NNDR	1,748	900		1,755	1,755	
Electricity	766	500		766	766	
Water / Sewerage	843	683		683	683	
Toilet contributions	(1,000)	(2,000)		(1,000)	(2,000)	
Rental Income		(3,500)				(5,000)
Total net revenue costs	21,760	583	0	14,704	8,104	(5,000)
Annual recurring savings in net revenue		(21,177)	(21,760)	(7,056)	(13,656)	(26,760)
Objectives:						
A)Realise £19k of revenue savings pa		✓	✓	✗	✗	✓
B) Retain a public convenience facility		✓	✗	✓	✓	✗
Pay back period (years)		2.3	N/A	N/A	6.2	2.0
Assumptions						
Options 1 and 4 assume an increase in usage as a result of additional facilities.						
Conclusions						
Options 1, 2 and 5 create the highest revenue savings.						
However, Options 2 and 5 don't meet the objective of retaining a public convenience provision.						
Option 3 produces the least revenue savings. Alternative savings would need to be identified.						
Option 4 results in £14k savings per annum. Alternative savings would need to be identified.						
Option 1 meets both objective A) and B) and has a reasonable pay pack period of 2.3 years.						