

Subject:	Public Conveniences		
Date of Meeting:	11th October 2018		
Report of:	Executive Director for Economy, Environment & Culture		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Brighton & Hove City Council currently has 37 public toilets which are cleaned and maintained by Healthmatic. This contract commenced in June 2017 following a procurement exercise. Savings of £280,000 were made through the re-procurement of the contract. As set out in the Integrated Service & Financial Plans, further savings are required and there is a need to modernise the current facilities. This report sets how Brighton & Hove City Council will deliver these savings whilst maintaining the current portfolio of facilities.
- 1.2 The re-procurement of the public convenience maintenance contract awarded two contracts to the chosen contractor: (1) a cleaning and maintenance contract and (2) a refurbishment contract securing from the contractor a capital investment towards the refurbishment of specified sites, at least matching the council's investment of £550,000.
- 1.3 The contracts were awarded to Healthmatic who committed to a capital investment of £602,000. The council's funding of £550,000 has been allocated in the Brighton & Hove Capital Investment Programme. The funding will be combined to refurbish at least 12 toilet sites.
- 1.4 This report seeks approval to introduce charging within 11 of the 37 public conveniences within the City. The income generated through charging will be shared between the council and the contractor; details of this arrangement are set out in Section 3.21 below. This report also seeks approval to access the Capital Investment Programme funding to proceed with the much needed refurbishment programme. A reserve fund will be set up to ring fence any additional surplus generated through charging to contribute towards further toilet refurbishments.
- 1.4 A report was presented to PR&G committee in July 2018 where further clarification was sought to include more details on the history of where charging has been proposed. This report gives further clarification on this.

2. RECOMMENDATIONS:

2.1 That the Policy, Resources & Growth Committee agrees to:

- 1) The introduction of a 30p charge at 11 public convenience sites detailed in section 3.12
- 2) City Environmental Management accessing £550,000 from the Capital Investment Programme in order to refurbish 12 public toilet sites
- 3) Grant delegated authority to the Executive Director for Economy, Environment & Culture to profile the capital funding across each of the 12 public toilet sites and manage the refurbishment programme through an internal project team
- 4) The establishment of a reserve fund in which to ring fence surplus income for the refurbishment of additional public convenience sites in the future

3. CONTEXT/ BACKGROUND INFORMATION

3.1 At the October 2016 Policy, Resources & Growth Committee, a report was submitted for the procurement and award of a new contract to manage public toilets in Brighton & Hove. Paragraphs 3.6 – 3.11 refer to options for charging and includes the following information:

“During the soft market testing phase, potential providers also agreed that there may be an opportunity to start charging members of the public for use of some of the public toilets. This income generation option would only be considered where it is financially viable”.

“All options will be considered prior to and during the tender process in order to achieve the best value for this contract”.-

3.2 In February 2017 the council conducted a procurement exercise using the Open Procedure in accordance with the requirements of the Public Contracts Regulations 2015. Bidders were invited to submit tenders offering professional, properly defined and priced propositions for the cleaning, repairs, maintenance, refurbishment and income generation for the Council’s public toilets portfolio.

3.3 The Invitation to Tender (ITT) stated that the contractor would be required to undertake the following:

- Cleaning services
- Reactive maintenance and repairs
- A refurbishment programme based on the Council investing £550,000 as well as the Contractor investing a minimum of £550,000 during the term of the Contract
- They would be expected to introduce charging at a number of toilets in portfolio, with the Council and the Contractor benefitting from a profit sharing arrangement over a certain revenue threshold

3.4 Following a competitive process and the robust evaluation of three compliant bids, Healthmatic were awarded a 10 + 2 year contract based on being most economically advantageous to the Council. As part of their bid, Healthmatic committed to invest £602,000 as opposed to the minimum requirement of £550,000 set out in the ITT.

3.5 In relation to investment, the contract states:

“The Council acknowledges that the amount of the Investment set out in the Contractor’s Tender was based on 12 sites being available for charging users. If authorisation to charge for using the public toilets is obtained by the Council for any lesser number, the amount of the Investment shall be reduced proportionately”.

Therefore, if charging is not approved, the amount of investment will reflect this.

3.6 In relation to the pricing proposal, the specification stated: *“The charge for each user per toilet visit must be a minimum of 30p and a maximum of 50p”* therefore bids were submitted and evaluated and financial projections were calculated on this basis.

3.7 £550,000 has been ring-fenced from existing capital resources to support the investment in Public Conveniences. This was approved as part of the Capital Resources and Capital Investment Programme 2016/17 report to Policy, Resources & Growth Committee and Budget Council in February 2016.

Four Year Integrated Service & Financial Plan

3.8 The 2017/18 Budget Council meeting in February 2017 identified £12.371 million savings for 2018/19 and £9.591 million savings for 2019/20. In particular, this included agreement for services to explore innovative solutions through income generation, whilst ensuring that non statutory fees and charges continue to recover costs. Whilst important to citizens and the visitor economy, public conveniences are not a statutory service and alternative methods of generating revenue to maintain existing facilities were explored.

3.9 Whilst savings of approximately £280,000 have been made through the re-procurement of the public convenience contract, further savings are necessary. The annual cost of operating the existing portfolio is £574,000 per annum. The Integrated Service & Financial Plan for City Environmental Management (CEM) includes savings proposals on the public convenience maintenance budget of £75,000 for 2018/19 and £50,000 for 2019/20. In the absence of generating income through public conveniences, additional budget savings within CEM services will need to be identified. The Integrated Service and Financial Plans are being reviewed as part of the budget process for 2019/20 and will be reported within the December 2018 Revenue Budget Update Report.

3.10 As agreed in previous Budget Council meetings, budget savings have been achieved by reducing opening hours and closing facilities. The option to generate income through charging is an alternative way to deliver savings to maintain the current portfolio of facilities.

Proposals

3.11 The Capital Investment Programme will enable CEM to match fund investment secured from Healthmatic towards the public convenience refurbishment programme. This brings the total investment between Brighton & Hove City Council and the contractor to £1.1 million to refurbish 12 public convenience sites to improve the standard of the facilities overall and install charging mechanisms in order to generate income. This income will contribute towards reduced maintenance and service costs, as well as enable the council to build reserves for future planned and unscheduled maintenance costs and contribute to the delivery of budget savings set out over the next two years.

3.12 The following public convenience have been identified as being suitable for charging based on the current volumes and profile of users:

Blackrock; Goldstone Villas; Hove Lagoon; King Alfred; Kings Esplanade; Lower Promenade East; Lower Promenade West; Peter Pan; Royal Pavilion Gardens; The Colonnade; West Pier Arches (*charging is already in place*); Western Esplanade.

The above sites are will be the first to be refurbished as part of the refurbishment programme.

The reserves acquired from charging at these facilities will allow the council the option of refurbishment of other public conveniences in the future.

3.13 The investment programme is due to commence in the winter of 2018/19 when footfall and demand is at its lowest. The programme will be prioritised in order of need, however based on the current condition of the Royal Pavilion Gardens facility, this site has been highlighted as a priority site. The remainder of the sites to be refurbished will be as per those listed at 3,12. The programme of work is expected to be completed by March 2020.

3.14 A project team including stakeholders from CEM, Property & Design and Finance will be responsible for agreeing the refurbishment programme to ensure that capital investment is profiled accordingly and in accordance with the requirements of each site. There are a number of common approaches to charging including paddle gates and coin pay systems on direct access doors so each site will be surveyed to identify the most suitable mechanism. As well as coin payments, contactless card payments will also be included as a payment method at each of the sites.

3.15 Charging is the most effective way of offsetting budget pressures and to generate income and thus improve the service and standards of existing public toilets. With the introduction of a 30p charge, footfall is predicted to drop however initial financial projections by Healthmatic have indicated that income generation to the Council could be as much as £70,678 in the first full year of operation.

Cash Handling

3.16 The council's cash collection contractor will be responsible for the collection and processing of cash deposited at each of the 12 sites. There are adequate

controls and processes in place to ensure money is transferred securely and reconciled promptly and this will continually monitored in accordance with the contract. Contactless payments will also be available as an option.

Public Convenience Provision

- 3.17 Under the Public Health Act 1936, local authorities in England and Wales have a power, but not a duty, to provide toilets for use by the public.
- 3.18 In 2013 a scrutiny panel was established in response to concerns about the future provision of the service in light of the Council's financial pressures. The terms of reference for the Panel were to consider:
- The future of the service
 - Future funding
 - Types of provision
 - Improving general access to the service
 - Improving access to the service for particular need groups
- 3.19 In 2014, a trial was introduced at the West Pier Arches toilet to charge users 30p for using the facilities. To date, £24,876 of income has been generated at this site and there has been little or no evidence from users to indicate they are dissatisfied with this charge.
- 3.20 In January 2015, a recommendation was accepted by the Brighton & Hove Publically Accessible Toilets Scrutiny Panel that Brighton & Hove City Council would develop an action plan for publicly accessible toilets in the city. This included a recommendation that through a procurement process, the Panel would encourage alternative models of service provision which have investment and related outcomes to minimise the cost to the authority.
- 3.21 In June 2017, Healthmatic commenced a 10 year contract for the maintenance and refurbishment of public conveniences. This contract includes a profit sharing arrangement as part of an income generating business model as well as the investment of capital funding to refurbish a number of facilities across the City. The contract specifies that Healthmatic will be allocated the first £75,000 of income per annum and the split will then be 70/30 in favour of Brighton & Hove.
- 3.22 All accessible toilets will remain free of charge with use of a radar key

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 A survey undertaken by The Association for Public Service Excellence (APSE) in April 2017 indicated that around 90% of local authorities provide public conveniences with half providing more than 10 facilities. At the time the survey was conducted, around 30% of local authorities charged for the use of their public conveniences.
- 4.2 A BBC Freedom of Information Request in August 2018 determined that:

'Public Toilet provision has been declining for a number of years and the BBC has learnt that some UK high streets and tourist hot spots no longer have any council-run public toilets.

At least 673 public toilets across the UK have stopped being maintained by major councils (unitary, borough, district and city) since 2010, according to the figures obtained under the Freedom of Information

Data supplied by 376 of the 430 councils contacted by the BBC showed that:

- UK Councils stopped maintaining around 13% of public toilets between 2010 and 2018*
- This masks big regional variations – Cornwall Council has stopped maintaining 94% of its toilets, on the Isle of Wight it was 92% and 80% in North Ayrshire*
- In 2018 there were 4,486 toilets run by major councils in the UK, down from 5,159 in 2010*
- In 37 areas, major councils no longer run any public conveniences.*

Brighton & Hove had a total of 50 public conveniences in 2010 reduced by 13 to 37 facilities in 2018.

- 4.3 A recent benchmarking exercise has indicated that of our CIPFA neighbours that charge, it ranges from 20p to 50p.

Benefits of charging

- 4.4 As well as generating income, the introduction of charging can have a positive impact on revenue costs such as consumables, water and parts.
- 4.5 Anecdotal evidence has indicated that the introduction of charging may also lead to lower levels of Anti-Social Behaviour (ASB) and result in less vandalism from specific user groups who are less likely to pay to use the toilet. This can, in turn, increase the confidence of vulnerable groups to use public toilets. There are a number of measures that can be introduced to effectively reduce problems such as:
- Removing all lobby areas in non-attending toilets, preventing groups from forming within sheltered and hidden areas
 - Using hardened anti-graffiti materials
 - Using stainless steel in limited but judicious way
 - Removal of moving parts within the cubicle itself, instead positioning all parts within the service area
 - Effective use of lighting, both with mains lighting and back up battery driven lights within the interior and exterior of the toilet

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 An engagement exercise in accordance with the Community Engagement Framework and Standards will be undertaken with local businesses, user groups and access/disability groups during the planning of the refurbishment programme to ensure the needs of local user groups are being met.

6. CONCLUSION

- 6.1 The objective of the refurbishment programme is to make it viable for the Council to continue providing toilets in the long term, to improve the overall standard and the customer experience within Council owned toilets and to contribute towards the budget savings set out over the next two years and beyond. Using the surplus will enable the Council to maintain the standard of service and potentially invest back into future public convenience refurbishments.
- 6.2 The introduction of charging to generate income will improve the standards of the existing public toilets. It will also contribute towards the budget savings set out over the next two years.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

£550,000 has been ring-fenced from existing capital resources to support the investment in Public Conveniences. This was approved as part of the 'Capital Resources and Capital Investment Programme 2016/17' report to Policy, Resources and Growth Committee and Budget Council in February 2016.

As part of the procurement process, the successful contractor committed to investment of £602,000 under the terms of the contract providing that the recommendation to charge for all toilets is approved (paragraph 2.1, recommendation 2). Should charging not be approved or a lower number of sites approved for charging this will reduce proportionally the contractor's funding commitment of £602,000 for refurbishment investment

A total of up to £1,152,000 consisting of the contractor's contribution and the Council's capital match funding will be incorporated into the Council's Capital Investment Programme to support the refurbishment of 12 public toilet sites.

The establishment of a reserve fund in which to ring fence surplus income for the refurbishment of additional public convenience sites in the future is dependent on surpluses being generated over and above the savings already identified within the Integrated Service and Financial Plans.

It is estimated that the Council could receive an annual income of circa £70,000 as part of the profit sharing agreement detailed in paragraph 3.21. There is a risk that the income levels required to meet the service savings required will not be achieved. This may impact on other budget savings from within City Environmental Management which will then be required to meet the savings targets for this service (as stated in paragraph 3.9 of this report). This will be monitored and reported as part of the Targeted Budget Monitoring (TBM) process.

Finance Officer Consulted: Rob Allen

Date: 04/09/18

Legal Implications:

Local Authorities have a power and not a duty to provide public toilets. Section 87 of the Public Health Act 1936, as amended, allows local authorities to make such charge for the use of public conveniences 'as they think fit'.

The refurbishment contract contains detailed provisions for instigating and managing the refurbishment programme, including approvals for designs and costings.

The council's funding of £550,000 towards refurbishment of the 12 sites (which will be combined with Healthmatic's committed investment of £602,000) was anticipated as part of the 2017 procurement and does not require any variation to the existing contract. It is therefore compliant with public procurement legislation and does not require a new procurement.

Lawyer Consulted:

Elizabeth Culbert

Date: 01/09/18

Equalities Implications:

- 7.1 Prior to the commencement of the refurbishment programme, each of the public convenience sites will be subject to an Equalities Impact Assessment. This will include an inspection of all accessible facilities to ensure that accessibility is maintained or improved throughout each site. The profile of users will be used to inform this assessment, as well other issues like the location of the toilets and proximity to other amenities. Accessible toilets will remain free of charge with use of a radar key. We will be working with social care, health and community services who support people with disabilities and those with health conditions who may need frequent access to toilet facilities to ensure that radar keys are available to those who need them.
- 7.2 The introduction of charges for public was subject to an Equalities Impact Assessment as part of the budget setting process.
- 7.3 Contactless payment systems, in combination with coin entry in the busier locations will make it easier for all user groups to access the toilets.
- 7.4 Methods of advertising the new charges (for example via the VisitBrighton website) will be considered to increase awareness of the new fees.

Sustainability Implications:

- 7.5 The refurbishment programme will take into consideration energy saving devices and the promotion of water saving efficiencies. The contract has made provision for installing timed access systems resulting in a reduction to the number of operatives travelling between sites.
- 7.6 The vehicles to be used on the contract are ultra-low Diesel vans which combine outstanding fuel efficiency with low environmental impact.

Public Health Significant Implications:

- 7.7 The Council has no statutory obligation to provide and manage public toilets. However it is considered that if the Council does not provide and manage public toilets this may result in the following implications:
- Reputational Damage
 - Lost income to the city
 - Environmental Health impacts
 - A negative impact on equalities and accessibility in the city
 - A negative impact on those with health issues being able to leave home and go out in the community
 - An indication that the City may be a place in decline
- 7.8 This view was backed by the BHLINK Toilet Users Group who outline to the panel the 'risks of not investing in toilets:
- *Possibly fewer visitors to the city*
 - *More street cleaning needed*
 - *More shops etc put off by opening in the city because of damage by urination/hygiene etc in shop door ways*
 - *Increased social isolation as people with bladder and bowel problems might not feel confident and able to access community facilities*

Crime & Disorder Implications

- 7.9 Anecdotal evidence has indicated that introduction of charging for toilet usage may lead to lower levels of Anti-Social Behaviour (ASB), resulting in less vandalism through a reduction in specific user groups who are less likely to pay to use the toilet.

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents in Members' Rooms

1. None

Background Documents

1. PR&G Report 12 July 2018 – Public Conveniences
2. PR&G Report 13 July 2017 – Revenue & Capital Budget Planning Resources Update 2018/19
3. APSE Survey – Public Conveniences

