

Subject:	Public Toilet Cleaning and Maintenance Contract		
Date of Meeting:	1 July 2021		
Report of:	Executive Director – 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 (BHCC) has an estate of 36 public toilet sites which are cleaned and maintained by Healthmatic who successfully tendered for a 10-year contract, which began in 2017.
- 1.2 This report is seeking committee approval to change the service delivery method for the cleaning and maintenance of public conveniences in Brighton & Hove, by bringing cleaning and maintenance in-house within Cityclean. It is also seeking approval to refurbish a number of public toilet sites through borrowing as a commitment in the Medium-Term Financial Strategy, rather than through the introduction of charging.

2. RECOMMENDATIONS:

- 2.1 That the Policy & Resources Committee:
 - 2.1.1 approves that the current contract for public toilet cleaning and maintenance is terminated by at least issuing six-months' notice
 - 2.1.2 approves that the service is brought in-house within Cityclean
 - 2.1.3 approves that the current programme for public toilet refurbishment is terminated and the delivery of the refurbishment is through borrowing as a commitment in the Medium-Term Financial Strategy, rather than through the introduction of charging

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 BHCC has an estate of 36 public toilet sites which are cleaned and maintained by Healthmatic who successfully tendered for a 10-year contract, which began in 2017.
- 3.2 The procurement of the contract in 2017 awarded two contracts to Healthmatic, namely (1) a cleaning and maintenance contract and (2) a refurbishment contract, with Healthmatic committing to invest £0.602m in addition to the council committing £0.550m towards the refurbishment of the sites. The contracts were intended to run in parallel.

- 3.3 The commitment to invest in refurbishment was made on the basis that the investment could be recouped over time through charging entry fees to sites. The contracts included the possibility of charging entry fees at 12 selected facilities, subject to the approval of Members, with income split between the council and Healthmatic. Charging mechanisms are in place at West Pier Arches and Shelter Hall, which are currently suspended due to the pandemic. Policy, Resources & Growth Committee approved charging at a further 10 sites on 11 October 2018.

Current status

- 3.4 The current delivery model for the cleaning and maintenance of public toilets has not proved to be as effective as anticipated. This has been partly due to the contractual arrangements and partly due to the age and condition of many of the public toilets. A lot of work has taken place over the past 18 months to improve the contractual arrangements, but in order to ensure that the most effective delivery model is in place, a review of options has been undertaken.
- 3.5 Through the contract, Healthmatic has committed £0.602m to the refurbishment programme. This amount was on the assumption that the refurbishments would commence once the contract had been signed and that income would be generated from 12 sites, with a proportion of that income going to Healthmatic.
- 3.6 The sites that were proposed for refurbishment were: Goldstone Villas, Hove Lagoon, Kings Esplanade, Lower Promenade East of Brighton Pier, Peter Pan, Royal Pavilion Gardens, St Ann's Well Gardens, Station Road, The Colonnade, The Level and Western Esplanade.
- 3.7 The sites that were previously for the introduction of charging were: Blackrock, Goldstone Villas, Hove Lagoon, King Alfred, Kings Esplanade, Lower Promenade East of Brighton Pier, Peter Pan, Royal Pavilion Gardens, The Colonnade and Western Esplanade. Charging is already in place (albeit currently suspended) at Shelter Hall and West Pier Arches.
- 3.8 No refurbishments have commenced, the £0.602m investment from Healthmatic has not been made, and entry fees have not been introduced.

Budget

- 3.9 The current maintenance (revenue) budget for public toilets is £0.772m. The 2020/21 outturn was £0.754m, including reduced water costs of £0.040m due to lower usage as a result of the pandemic.
- 3.10 Three areas were overspent last year:
- Responsive repairs owing to the increasingly larger responsive and significant repairs due to the poor condition of some sites
 - Income targets due to the suspension of charging at West Pier Arches due to the pandemic
 - Costs relating to the implementation of Covid signage and measures at sites

3.11 Savings of approximately £0.351m have been made to the public toilet budget since 2015/16:

Financial year	Saving	Description
2015/16	£0.057m	Contractor budget reduction (EVH050/EH001)
2016/17	£0.115m	Contractor budget reduction (EVH050/EH001)
2016/17	£0.004m	Utilities budget reduction
2017/18	£0.100m	Re-procurement of cleaning and maintenance contract (EVH050/EH001)
2018/19	£0.075m	Contractor budget reduction (EVH050/EH001)
Total	£0.351m	

3.12 Previous budget savings have been achieved through a reduction in opening hours and closing facilities. Brighton & Hove had 50 public conveniences in 2010, reduced to 37 in 2018. The current portfolio is 36 sites; two have recently been handed to third parties to manage and a new facility has opened at Hove Cemetery North.

3.13 The option to generate income through charging is an alternative way to deliver savings to maintain the current portfolio of facilities. However, there will be ongoing costs associated with the collection, as well as the risk of anti-social behaviour.

Future approach

Cleaning and maintenance

3.14 There are three options for the future cleaning and maintenance of public toilets:

1. Continue with the current contract
2. Bring the service in-house (recommended option)
3. Retender the contract

3.15 An options appraisal for these is contained in Appendix 1.

3.16 For bringing the service in-house, two service costs have been modelled: one is a like-for-like version of the current service provided; the second (recommended option) is a new model.

3.17 The preferred option is estimated to cost £0.875m, which exceeds the current budget by £0.103m. If this preferred approach is approved by committee, it will create an increased budget commitment for public toilets that would be managed through the budget setting process for 2022/23 and any in year variance reflected through the TBM process.

3.18 For whichever options is chosen, Cityclean will look to work with partners across the city to manage facilities on behalf of the council. Toilets in Aldrington Rec and Dyke Road Park have recently been handed to third parties to manage.

Refurbishment programme

- 3.19 £0.550m has been allocated through the Capital Investment Programme to refurbish some sites across the city. £0.007m has been allocated to refurbish the Park Road toilets in Rottingdean, with the parish council funding the remaining £0.042m.
- 3.20 A feasibility study by Property & Design estimates that the refurbishment of 11 selected sites would cost £2.711m. This is not based on a detailed condition survey of each site, but a general appraisal carried out by Property & Design based on industry data, and with forecasts made using known square meterage and the results of recent tender exercise carried out by Property & Design. A 10% contingency is also included.
- 3.21 In addition to improving the standard of the sites, Cityclean will look to take the opportunity to improved disabled and Changing Places facilities, as well as the installation of anti-social behaviour preventative measures. It is estimated that the introduction of Changing Places facilities will cost approximately an additional £0.370m. However, following analysis by Property & Design, most sites are too small to find the requisite 12m² each. This means a horizontal extension would be required which (a) might not be feasible due to space restrictions, (b) is expensive and time consuming and (c) would require planning applications. Nevertheless, options for Changing Places facilities will be considered on a site-by-site basis.
- 3.22 The Energy & Water Team estimate that £0.010m savings per annum on utilities can be made through the refurbishment programme. This is an estimate and further work will be completed as detailed designs are produced for each site. It should be noted that the bulk of the work is to the fabric, rather than services.
- 3.23 The Energy & Water Team estimate that 15 tonnes of CO₂ per annum can be saved from the refurbishment programme.
- 3.24 In total, £3.081m¹ is required including potential improvements to disabled and Changing Places facilities although the timing of this element is not known. As the council has already set aside £0.550m this leaves £2.531m to be funded; there are no unallocated capital receipts and therefore this would be from borrowing. Based on the phased refurbishment programme, this will cost:

Assumes 1 phase per year	Investment	Increase in financing costs	Cumulative
2022/23	£1.175m	£0.00m	£0.000m
2023/24	£0.904m	£0.050m	£0.050m
2024/25	£0.315m	£0.072m	£0.122m
2025/26	£0.317m	£0.025m	£0.147m

¹ This does not include the refurbishment of The Level which is subject to other conversations

2026/27	£0.000m	£0.025m	£0.172m
Accessible Changing Places facilities	£0.370m	£0.029m	£0.201m
Total	£3.0810m	£0.201m	£0.201m

- 3.25 The total additional financing costs of funding the refurbishment is £0.201m per annum by 2026/27.
- 3.26 There are three options for the future of the refurbishment programme:
1. Finance through borrowing using income from charging
 2. Finance through borrowing as a commitment in the Medium-Term Financial Strategy (recommended option)
 3. Finance through the refurbishment contract with Healthmatic and borrowing the remainder
- 3.27 An options appraisal for these is contained in Appendix 2. These options are for refurbishing 11 sites and do not consider how the remaining sites could be refurbished.

Charging

- 3.28 The recommendation is that the revised programme for the public toilet refurbishment is financed through borrowing as a commitment in the Medium-Term Financial Strategy, rather than through the introduction of charging. The risks and opportunities associated with the introduction of charging are detailed in Appendix 2.

Implementation

- 3.29 Subject to committee's approval, the intention is to terminate the current cleaning and maintenance contract with Healthmatic by issuing at least six-months' notice and the service brought in-house with Cityclean. This would mean the service would be operated in-house from 1 February 2022. The service would be managed within the Street Cleansing Service.
- 3.30 A Project development Officer from Cityclean will lead on the project, with support from HR on TUPE and other colleagues as appropriate.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The options appraisals in the appendices contain information on the other options available.
- 4.2 The preferred option is to bring the service in-house to be directly managed by Cityclean. Insourcing the service is estimated to cost £0.875m, which exceeds the current budget by £0.103m. If this preferred approach is approved by committee, it will create an increased budget commitment for public toilets that would be managed through the budget setting process for 2022/23 and any in

year variance reflected through the TBM process. The refurbishment programme will be funded through borrowing as a commitment in the Medium-Term Financial Strategy.

4.3 At the Procurement Advisory Board meeting on 14 June 2021, the PAB determined the preferred options are:

4.3.1 that the current contract for public toilet cleaning and maintenance is terminated by at least issuing six-months' notice

4.3.2 that the service is brought in-house within Cityclean

4.3.3 that the current programme for public toilet refurbishment is terminated and the delivery of the refurbishment is through borrowing as a commitment in the Medium-Term Financial Strategy, rather than through the introduction of charging

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Feedback, through complaints, emails and social media posts, indicates levels of dissatisfaction with public toilets – both the cleaning and maintenance, as well as the general conditions of the sites. This indicates the current operating model is not working.

6. CONCLUSION

6.1 There are significant concerns about the quality of the current cleaning and maintenance of the 36 public toilet sites in Brighton & Hove. Despite measures put in place to make improvements, this has not happened.

6.2 Considering the options available, it is recommended that the current cleaning and maintenance contract is terminated. The service will be managed directly by the Street Cleansing service in Cityclean from 1 February 2022.

6.3 Following a review of the options available for the refurbishment programme, it is recommended that it is funded as a commitment in the Medium-Term Financial Strategy, rather than through the introduction of charging.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 These are detailed in the main body of the report. In summary, the estimated additional costs of the recommended option for the service is £0.103m pa and the estimated additional costs of funding the refurbishment is £0.201m pa by 2026/27. This assumes the refurbishment has an asset life of 15 years. If approved, these additional costs will be included in the Medium-Term Financial

Strategy as financial commitments, with the impact being managed through the budget setting process.

Finance Officer Consulted: James Hengeveld

Date: 14/06/2021

Legal Implications:

- 7.2 The cleaning and maintenance agreement can be terminated on six months' notice.
- 7.3 Depending on the manner in which the current cleaning and maintenance services are delivered, the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") may apply if there is an organised grouping of Healthmatic staff that is essentially dedicated to providing the services to the Council. If the service is brought in house and if TUPE applies, the Council will need to engage with the contractor to allow such staff to transfer into the Council on their current terms and conditions.

Lawyer Consulted:

Alice Rowland

Date: 23/06/2021

Equalities Implications:

- 7.4 There are currently 30 sites with disabled toilet provision and three Changing Places facilities.
- 7.5 Through the refurbishment programme, Cityclean will look to increase the number of disabled toilets and those with Changing Places facilities.

Sustainability Implications:

- 7.6 The current situation has left facilities without vital refurbishment works, so there has been no opportunity to update the facilities with modern sustainable fixtures or designs – for example water-saving cisterns and taps, energy efficient hand driers and lighting, and so on.
- 7.7 The annual cost of water / sewage for the facilities was £0.045m in 2020/221, and £0.023m for electricity. Sustainability focussed refurbishment works could potentially reduce these annual utility costs, as well as improving the environmental impact.
- 7.8 The Energy & Water Team estimate that 15 tonnes of CO₂ per annum can be saved from the refurbishment programme.
- 7.9 The preferred model requires six vehicles for mobile cleaning staff. If bought in-house, Cityclean will procure electric vehicles, along with six e-cargo trikes to contribute to the council's ambitions to be carbon neutral by 2030.

Crime & Disorder Implications:

- 7.10 Through the refurbishment programme, Cityclean will look to install anti-social behaviour preventative measures.

Public Health Implications:

- 7.11 Unclean and badly maintained toilets put off users and can present health risks, as well as appearing unsafe and threatening to some potential users.

Corporate / Citywide Implications:

- 7.12 Public conveniences benefit both residents and the many visitors to the city - and by extension, local businesses. Given their visible and public nature, better maintained and cleaner facilities would project a more positive image of the city to residents and visitors. Having facilities available to the general public helps make the city accessible and inclusive, while improving opportunities for vulnerable individuals to make use of public space. Conversely, unclean and badly maintained toilets put off users and can present health risks, as well as appearing unsafe and threatening to some potential users.
- 7.13 The experience of the pandemic demonstrated how crucial public conveniences are when enjoying outdoor space, as well as the increased need to increase and improve the current offering.
- 7.14 As detailed above, through the refurbishment programme, Cityclean will look to take the opportunity to improved disabled and Changing Places facilities, as well as the installation of anti-social behaviour preventative measures

SUPPORTING DOCUMENTATION

Appendices:

1. Options appraisal for cleaning and maintaining public conveniences
2. Options appraisal for refurbishment programme

Background Documents

1. Report to Policy, Resources & Growth Committee on 12 July 2018: Public Conveniences
2. Report to Policy, Resources & Growth Committee on 11 October 2018: Public Conveniences