

Committee: Finance and Administration

Agenda Item

Date: 25 November 2010

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Title: Universal Supaloo Agreements

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Item for decision

Summary

1. This report sets out the position in respect of the three Universal Supaloos (USL) and recommends to Members a way forward.

Recommendations

2. That Members agree to the termination of the two Agreements, from 1 December 2010 or as soon as possible thereafter, at a cost of no more than £250,000 with the cost being met from the Change Management Reserve.
3. Discussions are held with businesses in Stansted to identify potential companies who would be prepared to make available their toilet facilities for use by the general public in return for a consideration of no more than £150 per year.

Financial Implications

4. The estimated cost is £250,000 which will be funded from the Change Management Reserve.

Background Papers

5. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

Impact

Communication/Consultation	Discussions have been held with Saffron Walden Town Council and the Chairman of Stansted Parish Council.
Community Safety	None
Equalities	None
Health and Safety	None

Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	Stansted and Saffron Walden
Workforce/Workplace	None

Situation

6. The council has three USL units situated in the district, two in Saffron Walden and one in Stansted. There are two agreements, the first covering Lower Street Stansted and The Common was signed in 1999. The second is for Swan Meadow only and was signed in 2000. Both agreements run for a period of 20 years.
7. The rental cost for each unit is in the region of £25,000 per annum with utility costs (water, electric and business rates) on top making a total cost of approximately £82,000 per annum.
8. The units are maintained as part of the Agreement and the income (20p per visit) is retained by the council. In 2009/10 the total income for the year from the three USL units totalled £730
9. The costs and income for the individual USLs is shown below

	Annual cost incl. utilities £	2009/10 income £	2009/10 number of times used	Average number of times used per day	Cost per use £
The Common	27,550	402	2,010	5.5	£13.51
Swan Meadow	26,780	203	1,016	2.8	£26.16
Lower Street Stansted	26,810	125	627	1.7	£42.56

10. In Saffron Walden there is alternative toilet provision at the free district council run toilets in George Street near to the Fire Station. In Stansted there is no such alternative facility.
11. The two Agreements were written in such a way that it is not possible to end one of the Agreements without also ending the other.

12. The termination costs have a number of elements which are summarised below:

		£	£
Termination	Lower Street	44,818.62	145,232.20
	The Common	44,818.62	
	Swan Meadow	55,594.96	
Removal			18,000.00
12 months notice			75,038.64
Total			238,270.84

13. There may also be some additional cost in respect of terminating the water and electricity supplies to the units and making good the site. A contingency of approximately £12,000 has been allowed for this in the recommendation.

14. The contract annual increase is based on RPI and assuming an average increase of 3% there remains approximately £960,000 to pay on the Agreements

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2011/12 - 2020/21 total
Rent	75039	77290	79541	81792	84043	86294	88546	90797	93048	95299	32517	884205
Water	1200	1236	1272	1308	1344	1380	1416	1452	1488	1524	1560	15180
Electricity	2690	2771	2851	2932	3013	3094	3174	3255	3336	3416	3497	34029
Rates	2220	2287	2353	2420	2486	2553	2620	2686	2753	2819	2886	28083
Total	81149	83583	86018	88452	90886	93321	95755	98190	100624	103059	40460	961497

15. The funding to terminate the Agreements (£250,000) would come from the Change Management Reserve and the payback period is just under 3 years.

16. However the immediate benefit would be the reduction in the 2011/12 budget of the annual rental of £77,300 and subsequent budgets of the annual rental cost plus utilities.

17. If Members approve the recommendation notice to terminate will be given around the 1 December 2010. The termination costs include 12 months notice and it has been agreed that the units will remain in place for the duration of that notice period which in effect means the units will not be removed until the end of November 2011.

18. A meeting was held with the Chairman and Parish Clerk for Stansted Mountfitchet Parish Council and their views were that in principle they support the removal of the USL. The Parish Council would like to see consideration given to offering an annual payment to a local business to open up their toilet facilities to the general public.

19. With the removal of the Stansted USL and associated cost savings, there will be an opportunity for the Council to consider its approach to working with partners to enhance the Council's presence in Stansted and the surrounding villages. This will be addressed in more detail as part of the forthcoming review of the Corporate Plan.
20. Saffron Walden Town Council considered the matter at their meeting of the Property and Services Committee on 1 November 2010 and they agreed that the USLs should be removed.
21. Strategic Management Board has received a full business case on the USL units, from the team responsible for strategic solutions, and supports the recommendation in this report.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Funds made available will not be sufficient to terminate and make good the site	2 – The termination costs have been provided by the USL supplier. £12,000 is a reasonable contingency for making good	2 – Any additional funding would be met from the predicted underspend on the year and reported to this Committee as soon as possible	The only unknown is the repairs to site and termination of services. This cost will be ascertained and reported as soon as possible

- 1 = Little or no risk or impact
 2 = Some risk or impact – action may be necessary.
 3 = Significant risk or impact – action required
 4 = Near certainty of risk occurring, catastrophic effect or failure of project.