

<b>Subject:</b>	<b>Public Toilets Contract</b>		
<b>Date of Meeting:</b>	<b>13 October 2016</b>		
<b>Report of:</b>	<b>Executive Director for Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Tracy Phipps</b>	<b>Tel: 294724</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks approval for the procurement and award of a new contract to manage public toilets throughout the City of Brighton & Hove (the "City"). The new contract will cover cleaning, maintenance, repairs and refurbishment of the public toilets. There may also be some income generation from the new contract.
- 1.2 The new contract will replace the Council's existing contract with Wettons Cleaning Services Limited which commenced on 1<sup>st</sup> March 2007.

**2. RECOMMENDATIONS:**

- 2.1 That Policy, Resources & Growth Committee authorise the Executive Director for Economy, Environment & Culture:
  - (1) To carry out a procurement exercise for a new contract for the management of the City's public toilets and to award that contract for a term of ten (10) years; and
  - (2) To grant a two (2) year extension to the contract referred to in (1) above, subject to performance, at the relevant time.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Brighton & Hove City Council (the "Council") currently have 37 public toilets which are cleaned and maintained by Wettons.
- 3.2 The existing contract, which covers the management, cleaning and minor maintenance of the City's public toilets, ends in February 2017. The existing contract is over 10 years old and provision of facilities management has changed significantly in this time so that different options should be available to the

Council for the new contract, including reduced service costs, maintenance and income generation.

- 3.3 The current annual spend on the Wettons contract is approximately £0.0864m
- 3.4 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.
- 3.5 Information gathered from this scrutiny panel will be considered for the new contract.
- 3.6 Soft market testing in February 2016 with a number of potential providers showed that there are alternative ways of delivering this type of contract in the present market which could considerably lower the value of the new contract.
- 3.7 Following a condition survey of the public toilets in 2013, it was identified that many of the public toilets in the city are in poor condition and require investment to bring them up to a good standard.
- 3.8 As part of the soft market testing for the new contract, potential providers indicated that they would be prepared to make significant investment to current toilet provision to improve the facilities. As well as this investment from a provider, the Council has identified the requirement for £0.550m of capital funds to invest in public toilet refurbishment over the next 4 years, subject to PR&G Committee approval.
- 3.9 The new provider will be expected to undertake detailed asset condition surveys prior to agreeing a refurbishment programme with the Council.
- 3.10 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.
- 3.11 Income generation would help upgrade and safeguard current provision of public toilets across the city. There may be options for the Council to receive a percentage split of revenue generated or to see a larger reduction in the overall contract costs. All options will be considered prior to during the tender process in order to achieve the best value for this contract.

#### Procurement Process

- 3.12 The procurement will be via an open tender procedure advertised in the Official Journal of the European Union (OJEU).

- 3.13 An output-based specification will be used in order to give bidders as much flexibility as possible to allow them to submit new and innovative solutions that will meet the challenges that are faced.
- 3.14 The tender process will follow a transparent methodology which gives fair and equal access to all suppliers in the market, and will evaluate suppliers' bids on a combination of price and quality criteria (most economically advantageous bid) in accordance with applicable EU procurement legislation and The Public Contracts Regulations 2015. It is envisaged that the evaluation criteria will be a split between 40% on price and 60% on quality but this will be finalised during further research prior to publishing the advert.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The option of adding this public toilets contract to the corporate cleaning contract was considered but then discounted due to the different scope in the public toilets contract, with its capital investment requirements.
- 4.2 The option to bring the service in-house was considered but soft market testing showed that the contract could be reduced considerably with the option of revenue share, which would outweigh any potential reduction that would be made through bringing the service in house.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The procurement process will include a public consultation via the consultation portal to engage with specific user groups to ensure that the Council is aware of users' needs and these are taken into consideration when drafting the contract specification.

#### **6. CONCLUSION**

- 6.1 The procurement and award of the new contract to manage the public toilets in the City will enable the Council to continue to provide and improve its public toilet provision with innovative, sustainable and inclusive services for the general public.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 The cost of the current contract to manage public toilets within the City is funded from approved revenue budgets within the City Environmental Management service. The annual cost of the current contract is approximately £0.864m. It is anticipated that the procurement of a new contract will lead to the achievement of saving proposals identified within the Service and Financial Plans approved by Budget Council. The full financial implications of the new contract will be subject

to the outcome of the procurement process and will be incorporated into future years budgets.

7.2 Any charges applied for use of public conveniences will be subject to the council's Corporate Fees and Charges Policy. The Policy addresses the requirement for a more corporate approach to the issue of fees and charges and provides a clear policy framework within which to conduct annual or other reviews of fees and charges. Any charges will be set and reviewed in line with the Corporate Fees and Charges Policy, and the appropriate Service Committee shall receive a report from the Executive Director on price variations above or below the corporately applied rate of inflation.

7.3 The Capital Resources and Capital Investment Report 2016/17 to Budget Council on 25th February 2016 identified the requirement for the following capital expenditure for public conveniences to be funded from capital receipts. This funding is subject to approval from Policy Resources & Growth Committee to be added to the capital programme, which will be sought as part of the budget monitoring or budget setting process subject to the outcome of the recommended procurement process.

	2016-17 £'m	2017-18 £'m	2018-19 £'m	2019-20 £'m	Total £'m
<b>Public Conveniences</b>	0.050	0.050	0.400	0.050	<b>0.550</b>

7.4

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The recommended procurement process is subject to compliance with the council's Contract Standing Orders and Financial Regulations. It is essential that all Chief Officers follow Contract Standing Orders and Financial Regulations in the procurement and control of contracts. The achievement of value for money when procuring goods or services is a key task to ensure that public money is well spent. The councils Contract Standing Orders state that contracts above the value of £0.500m require approval from the relevant Committee or executive decision-making body.

*Finance Officer Consulted: Steven Bedford*

*Date: 30/09/16*

Legal Implications:

7.5 The authority of Policy, Resources & Growth Committee is required for matters with corporate budgetary implications, such as the procurement of the Council's contract for management of public toilets in the City for which the costs are likely to exceed £500,000. Accordingly the committee is entitled to agree the recommendations at section 2 above.

7.6 Further, the Council's Contract Standing Orders ("CSOs") require that authority to enter into a contract valued at £500,000 or more must be sought from the relevant Committee before expressions of interest can be invited from potential bidders.

7.7 The procurement process to award the contract must comply with all relevant European and UK public procurement legislation as well as with the Council's CSOs.

Lawyer Consulted:

Name David Fairfield

Date: 05/09/16

Equalities Implications:

- 7.8 The new service delivery model and contract will be subject to an Equalities Impact Assessment. The budget proposals have been subject to the budget EIA process.

The Transfer of Undertakings (Protection of Employment) Regulations 2006 may apply in relation to this contract and information regarding the employees of the outgoing provider will be collected and shared with bidders during the tender process.

Sustainability Implications:

- 8.9 The tender process and subsequent new contract will take into consideration energy saving devices, the promotion of water saving efficiencies as well as encouraging sustainable transport methods for the use of vehicles.

Public Health Implications:

- 8.10 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.]

- 8.11 This view was backed up by the BHLINK Toilet Users Group who outlined 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 –*

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents in Members' Rooms**

None

### **Background Documents**

None