

**TEIGNBRIDGE DISTRICT COUNCIL
EXECUTIVE COMMITTEE
11th FEBRUARY 2021
PART I**

Report Title	Proposed Long lettings and a Freehold Transfer of Public WC's to Teignmouth Town Council
Purpose of Report	The purpose of this report is to present proposals for the future of public WC's in Teignmouth and to obtain approval for their disposal to the Town Council as set out in the report.
Recommendation(s)	The Executive RESOLVES to: (1) Approve the course of action set out in the proposal of this report.
Financial Implications	The financial impacts ultimately create savings to the Council from 2025 as detailed in section 3.1. Martin Flitcroft, CPFA Chief Finance Officer & Head of Corporate Services Email: martin.flitcroft@teignbridge.gov.uk
Legal Implications	There are no legal implications save that the Council will be disposing of assets. Paul Woodhead Legal Services Team Leader and Deputy Monitoring Officer Email: paul.woodhead@teignbridge.gov.uk
Risk Assessment	Report author to comment on the Risk Assessment Title of person giving advice Email: @teignbridge.gov.uk
Environmental/ Climate Change Implications	Climate change implications are mentioned in Section 3.3 William Elliott, Climate Change Officer Email: William.Elliott@teignbridge.gov.uk
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Portfolio Holder	Executive Member of Corporate Resources – Councillor Keeling Email: Richard.Keeling@Teignbridge.gov.uk
Appendices / Background Papers	N/A

1. INTRODUCTION / BACKGROUND

At its meeting on 4th November 2014, the Executive Committee decided to approve the granting of 10 year leases to Teignmouth Town Council (Town Council) expiring in June 2025 for the management and operation of the following facilities in Teignmouth:

- Beachcomber (The Den) public WC's, Teignmouth
- Women's and men's Jubilee Shelter public WC's, Eastcliff Promenade, Teignmouth
- Eastcliff Car Park public WC's, Dawlish Road, Teignmouth
- Lower Brook Street public WC's, Teignmouth
- Brunswick Street public WC's, Teignmouth.

This was in addition to The Point car park WC's which were already let to the Town Council by way of a lease which expires in September 2027.

The purpose of the granting of the above leases was to facilitate the retention of the public WC provision within the town while reducing the management cost to Teignbridge District Council (TDC).

However, all the leases contained a break option, and this option was operated by the Town Council effective from the summer of 2020.

To enable the public WCs to remain open for the benefit of residents of and visitors to Teignmouth in the summer of 2020, short term arrangements were made with the Town Council whereby the Town Council continued to operate the facilities pending a decision on the long term future of the public WC's in Teignmouth.

2. PROPOSAL

It is now proposed that TDC grant the following legal interests to the Town Council to ensure that the facilities remain open and operational for the longer term:

In respect of the existing women's and men's public WC buildings at Jubilee Shelter (Eastcliffe Promenade), Teignmouth and The Point car park, Teignmouth it is proposed that the Town Council be granted full repairing and insuring leasehold interests for a Term of 60 years.

In respect of the new public WC sites at Eastcliff car park, Teignmouth (to replace the WC's that have recently been demolished) and Quay Road car park, Teignmouth (as an alternative to the closed WC's at Brunswick Street), it is proposed that the Town Council be granted full repairing and insuring leasehold interests for a Term of 60 years.

In respect of the premises at the Den, Teignmouth it is proposed that the Town Council be granted a full repairing and insuring leasehold interest for a Term of 60 years but subject to the potential provision of WC facilities elsewhere at the Den in the event that the current facilities are repurposed for 'back of house' facilities to support the letting of the Beachcomber building as a destination café/restaurant. In this regard, discussions are ongoing with the Town Council in respect of a suitable alternative site for the Town Council to construct new facilities.

In respect of the Premises at Lower Brook Street, Teignmouth it is proposed that TDC dispose of its interest to the Town Council by way of a transfer of its Freehold interest, subject to restrictive covenants and overage.

3. IMPLICATIONS, RISK MANAGEMENT & CLIMATE CHANGE IMPACT

3.1 Financial

Under the provision of each of the previous leases the Rent was £1 (one pound) and TDC was required to make an annual financial contribution to the Town Council for the running of the WCs. It is proposed that these annual contributions will continue until 30 June 2025 as provided for by the previous leases. This gives the Town Council time to arrange alternative funding streams to run and operate the public WC's and so that the Town Council does not require funding from TDC from 2025.

The proposed leasing agreements compare favourably with the cost of continuing to manage and maintain the public conveniences by TDC, and delivers on-going savings to TDC in future years of £71,000 per annum from July 2025.

The breakdown of the annual payments from TDC to the Town Council until 30 June 2025 is as listed below:

• Brunswick Street WC's	£ 7,100 per annum
• The Den WC's	£39,050 per annum
• Jubilee Shelter	£10,650 per annum
• Eastcliff Car Park	£ 7,100 per annum
• Lower Brook Street	<u>£ 7,100</u> per annum
Total	£71,000 per annum

Where the Town Council construct new WC facilities or refurbish existing buildings, it will fund those works.

All leases will have a mutual 12 month break clause subject to the following specific clauses:

- In the event of notice being served by TDC, compensation will be payable by TDC for a building or refurbishment capital expenditure incurred by the

Town Council. This will be limited to the first 15 years of the lease subject to an annual depreciation rate.

- The Town Council break will be subject to at least 12 months' notice after the 5th year ending on 5th January in any year. There will be no compensation payable by TDC for any upgrades or new WC's facilities.

3.2 Risks

There is an inherent risk (albeit small) that the Town Council will not at some time in the future, operate the public WC's in a proper manner, or not at all. To mitigate against this, the legal documents will include appropriate clauses to reasonably prevent this from happening. This will include break options for the benefit of and exercisable by both Councils. It should be noted that if TDC does regain the operation of the WC's there will either be a financial cost to TDC to maintain the service provision or a risk that the WC's will be closed.

All leases will have a mutual 12 month break clause subject to the specific clauses mentioned in Section 3.1.

With regards to the Den Public WC's, the break provision's TDC compensation is to be excluded until the long term location of the Den public WC's has been documented.

3.3 Environmental/Climate Change Impact

The proposals set out in Section 2 of the report are not anticipated to result in a net change in the sites' carbon and water footprint. There are therefore no significant environmental implications associated with this report. Where possible, opportunities should be taken to increase water and energy efficiency standards.

4. ALTERNATIVE OPTIONS

Not to grant these long term agreements for all the named facilities to the Town Council would likely result in a continuing substantial revenue expenditure by TDC to keep the WCs open. Alternatively, TDC could take the decision to close the facilities when the current agreement with the Town Council expires.

5. CONCLUSION

It is recommended that the proposals set out at paragraph 2 above be approved.