

Report to: Assets and Operations Committee

Report Ref: A1922
Meeting Date: 10th February 2020
Agenda Item: 9
Prepared By: Town Clerk



Subject: Renegotiation of Public Toilets Contract

1.0 BACKGROUND

At the December committee meeting it was resolved to seek approval from Full Council to open discussions with Danfo on the renegotiation of the public toilets lease/contract with a view to progressing the creation of the commercially lettable units within the vacant areas of the buildings. Council resolved to authorise the project progressing.

2.0 PREFERRED POSITIONS

The public toilets review working group (Cllrs Forbes, Malloy, McCulloch) met following the decision to agree a preferred position for the council on the renegotiation on the key aspects of the lease. This has been shared with Danfo and a meeting is being coordinated to discuss and identify areas of contention warranting negotiation. The preferred position is set out below.

Ref	Clause / Aspect	Current Position	KTC Preferred Position
1	Responsibility for cleaning and servicing toilets	Danfo responsible	No change
2	Lease End Date	2038	No change
3	Annual Services Payment	£47,771.40	Reduced to factor in reduced overall building maintenance responsibility, reduced obligation for utilities and reduced business rates.
4	Utilities	Danfo responsible	KTC to directly cover cost of utilities through sub-metering of water and electricity to allow KTC to bill other tenants.
5	Coin Income	Danfo collect, credit to KTC	No change
6	Insurance	KTC insure, charge to Danfo	No change, but Danfo to be recharged appropriate % for their area. Danfo to internally insure their demise.
7	Business Rates	Danfo cover, included within fees	Business rates to be separately itemised in Schedule 1 and fixed to the actual rates charged for the area occupied. Intention that this will allow them to be automatically reduced to zero if the government removes liability for public



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			toilets.
8	Building repair/maintenance responsibility (whole)	Danfo wholly responsible	KTC to be responsible with appropriate charge back mechanism to tenants based on % occupation
9	Building repair/maintenance responsibility (void spaces)	Danfo wholly responsible	Danfo not to be involved in responsibility for non-toilet areas.
10	Drafting of leases for tenants in current void spaces	KTC responsible	No change
11	Management of tenants in current void spaces	Danfo responsible as Landlord of a sub-lease	Danfo not to be involved in leases for non-toilet areas.
12	Solicitor fees for granting of leases for current void spaces	Danfo responsible as Landlord of a sub-lease	Danfo not to be involved in leases for non-toilet areas.
13	Recipient of rents from tenants in current void spaces	Danfo	Danfo not to be involved in leases for non-toilet areas.
14	Solicitor Fees for re-negotiation of leases	Not covered	KTC to pay up to £1,000 of Danfo's cost in renegotiating the lease.

3.0 DECISIONS REQUIRED

None, report for information.

