

REPORT TO ASSETS WORKING GROUP PUBLIC TOILET COMMERCIAL SPACES

Report Reference A-21-03
Meeting Date 14th June 2021
Agenda Item 6
Prepared by Town Clerk



1.0 BACKGROUND

The building works at the two public toilet buildings has now been completed¹ and the units are ready to let. As part of the marketing for the properties the buildings were named *Justice View* (Bexton Road) and *Lily Lodge* (Malt Street).

This report advises of an overspend against budget and outlines the next stage in securing tenants.



The two units at Lily Lodge (larger unit left, small unit right)



The Justice View unit (main space, left, side office, right)

2.0 SPEND AGAINST BUDGET

The allocated budget for the construction works was £87,990 with a 7% contingency of £6,000. Unfortunately, there were a number of additional expenditures and a delay to the project which resulted in additional cost taking the project over budget.

The building control process required small modifications to the scheme which included the installation of manifestation dots to the large windows, minor alterations to the specification of the

¹ Except for snagging and the installation of the handrail at Lily Lodge.

step construction at Lily Lodge and changes to the lighting and insulation to meet energy performance requirements. These changes accounted for £4,970 of additional expenditure.

There were also a number of issues which arose/were discovered during the course of the works. The structural engineer required additional supports to be tied into the existing wall plate at Justice View, and the existing door to the small Lily Lodge unit was rotten. At Justice View, the plans would have enclosed drainage pipes and it was considered practical to create an opening from the service area to ensure access to these is available should a problem arise in future. At Lily Lodge there was no provision for power or lighting within the service area which would be required and there would have been no access to roof void so it was considered prudent to include a loft hatch. Also at Lily Lodge the mains distribution board and meters (which are in the rear of the main unit) required enclosing and a door installing for access. At Justice View some rewiring was necessary to separate the bus station lighting² for the sub-metering of the commercial unit. These changes accounted for an additional expenditure of £6,389.

There was a project delay due to the requirement to obtain calculations to determine the energy performance of the units. This resulted in increased preliminary costs from the contractor at an additional cost of £5,000.

The total expenditure for the works will therefore be £104,685, an overspend against budget (inc contingency) of £10,695.

3.0 LETTING OF PROPERTIES

The council's agents (Williams Sillitoe) have held a number of viewings for the spaces; 10 potential tenants have viewed Justice View and 14 have viewed Lily Lodge. The tenancy for Lily Lodge is likely to be for both spaces in the building. Prospective tenants have been asked to submit a proposal detailing the rent offered, lease term requested, legal entity of the tenant and a summary of the proposed use including a background to their business, previous landlord references (if applicable) and the likely number of part time/full time staff to be supported. These should be received by the end of the month.

It is suggested that either:

- a) The working group agrees a sub-group of members to review the bids and, through the Town Clerk, agree the allocation of the tenancies OR
- b) All members of the working group review the bids and provide feedback to the Town Clerk to agree the allocation of the tenancies with the Chairman and Deputy Chairman.

The Town Clerk has instructed the council's solicitor to prepare a draft lease for the spaces; this will be circulated to members for approval but will be prepared on the basis of the existing lease to Danfo and the commercial terms the committee had agreed for 60 King Street with respect to Landlord rights.

4.0 DIRECTION REQUIRED

The working group should advise how it wishes the allocation of the tenancies to be determined.

² During the works it has been found that the bus station lighting is powered from the Justice View building and a parking meter is powered from the Lily Lodge building – this is being discussed with Cheshire East to put a recharge in place.