

Application for Borrowing Approval

1. The Project

Bingley Town Council is seeking funds to convert the now closed public toilet block in the town centre into offices for the council and two public toilets.

Since Bradford Council's decision to shut all public toilets at the end of March 2018, Bradford Council has invited local councils to take over the running of public toilets by way of a Community Asset Transfer (CAT). In Bingley's case the lease would be 99 years.

Bingley Town Council supports the view that public toilets are vital for public health and the local economy; they are an amenity required on a day to day basis and fundamental to tourism and regeneration.

Since its creation in April 2016 Bingley Town Council has had temporary accommodation initially in Cardigan House, Ferncliffe Road and, at present, at Cottingley Community Centre, a bus ride from the centre of Bingley and not central to what is a large civic parish. The town council's current accommodation is 72.6 square meters and includes an office suitable for up to 4 people, a toilet, a small kitchen area and a storage cupboard. The council also regularly books another room in the community centre, the Board Room, for committee meetings.

Prior to closure, Bradford Council approached the town council about taking over the running of the public toilets which are located in the centre of the town in Jubilee Gardens; the possibility of town and parish councils taking on public toilets was cited by Bradford Council as mitigation in its Equality Impact Assessment for its closure of public toilets.

However, it became clear that it was not possible to run the toilets in their current form. The costs as advised by Bradford Council for 2016-2017 on reduced hours of 4 hours a day, six days a week the toilets were £27,623. The town council agreed this was too expensive so instead set about finding a more cost-effective way to provide public facilities.

The town council realised that it could re-deploy its £6,750 per annum budget allowance for its own accommodation costs (office and storage room costs plus hire of rooms for meetings). Instead of using the £6,750 allowance to pay rent in Cottingley, the council was made aware it could use the allocation to pay the majority of a loan re-payment – the loan would be needed to cover the costs of converting the toilets in offices for the town council and retaining two of the toilets. The total area available to the council in the converted building would be 55.7 square meters (an office, a meeting room, a storage area, a standard disabled toilet for staff use). In addition, the two large individual WCs in the current toilet block would be retained and made into two standard disabled public toilets, accessed independently from the office.

Whilst the proposal will result in less overall space for the town council, the new office should be sufficient for its needs. The council will now be located at the heart of the community it serves and the town will be re-provided with some toilet facilities, accessible to non-disabled people and those with disabilities able to use a standard disabled toilet. At the end of the loan period, the town council will only have to pay office and public toilet running costs. Additionally, a building that may have lain empty and become derelict will be put to good use, aiding regeneration of the town.

An architect was employed to carry out a feasibility study which included preparing a list of drawings, establishing any restrictions caused by the structure or its services, preparing options for developing the building (to include public toilets plus offices with a storage area, tea point, a staff toilet and a small meeting space), along with budget costs of the options.

2. Breakdown of Proposed Works

Bingley Town Council is looking to apply for borrowing authority from the Ministry of Communities, Housing and Local Government and a loan from the Public Works Loan Board. The loan to be requested was originally £157,500 and was made up of £133,500 building/ conversion costs and £24,000 management and professional fees for the project. A copy of the architects proposed costing is attached showing the breakdown of the costings. The architect advised that a prudent organisation would allow for between 18%-20% for management and professional fees.

Since making the decision in December 2018 to proceed with the application the town council has employed a project management consultant to deal with the tender, planning application and management of the construction process. This led to the town council agreeing an increase in estimated costs for the project of £17,000 for improvements to the windows and the inclusion of an internal sliding door. **The total loan to be applied for is £163,500** (allowing for the use of some unallocated balances- see Point 3). Advice was obtained from MCHLG that a widespread notification to electors about the additional £17,000 should be undertaken by way of a mailing to the council's e-mail list and putting the information onto the town council website. No response to the notification was received. Details of this notification are contained in the timeline included with this document.

The repayment on the original fixed rate Annuity loan from the Public Works Loan Board as of 23rd November 2017 was £4,962.34 for six months leading to an overall repayment figure of £198,493.60 spread over 20 years. Bingley Town Council has earmarked part of its reserves, £20,000, as a contingency fund for the project. The estimated annual running costs for the toilet and office are a total of £13,040; the office is £3,690 and the public toilets £8,250. Business rates of £1,100 were originally included at an 80% reduction from Bradford Council. Since setting the budget it is looking likely that owing to the rateable value of the building, the town council will receive 100% rate relief. No income is to be assumed.

For the purposes of the 2018-2019 town council budget, six months of costs were allowed as the project needed to receive all of the necessary permissions etc before the application for borrowing approval and the loan could be made. It was anticipated that the work would have started in the second half of the financial year 2018-2019.

Following extensive consultation, the town council was contacted by some local residents wishing for the inclusion of a Changing Places facility into the revamped toilet building. The town council was also contacted by a local business man offering a building for possible community/ council office use (see point 5). This has delayed the start of the project to the current financial year. It is anticipated that the works will start in November 2019, therefore four months of costs have been included in the 2019-2020 budget (See point 3)

3. Financial Planning to cover the proposed works

The council currently has an appropriate level of reserves allowing for its prudent management of its income and expenditure. After the consultation had started Bradford Council offered the Town Council £6,000 towards the costs of the legal fees for the Community Asset Transfer and towards the toilets. This resulted in a smaller rise to the 2018-2019 precept than had been anticipated. The Town Council consulted on the basis of the costs without the £6,000 income from Bradford Council.

The town council currently allows £6,000 for rented office costs and this saving will be used to fund some of the ongoing costs of the running costs for the proposed works.

Initially costings were obtained for 2018-2019. The loan costs for 2018-2019 added 0.58p (six months) to the precept for a Band D property and for future years was £1.16. This was a 3.63% rise per Band D property for the financial year 2018-2019 for the six months loan cost and for twelve months was 7.267%. (The 2018-2019 precept for a Band D property was £16.32 per annum.)

Costings for the loan for the current financial year were based on the annuity loan cost on 25th October 2018 being £10,035 for twelve months. An anticipated occupation date is early December 2019 and therefore the proportionate amount of loan costs on the current year's budget is £3,345. This is a 1.98% increase on the current year's precept for four months and annually is 5.7%.

Since entering the new financial year, the council has made an £11,000 saving on its projected opening balance from an anticipated £126,638 to £137,921. It is recommended that the council uses this underspend of £11,000 to reduce the amount of loan it will apply for, from £157,500 plus £17,000 for the additional works, totalling £174,500 to £163,500. As of 15th April 2019 the cost of a twenty year annuity loan for £163,500 from the Public Works Loan Board is £204,707.60 and is £5,117.69 per six months.

The remaining costs for the running of the toilets and office will be met from the council precept. For the financial year 2019-2020 the costs are a proportionate amount of the costs as outlined above i.e. £1,230 for the office and £3,320 for the public toilets. For the first-year maintenance will be covered under the defect's liability with the builder. Going forwards an amount of £4,500 should be allowed for the maintenance of the building.

The town council is aware of referendum principles in setting its precept and notes that it was been announced by the Chief Executive of NALC at the end of 2017 that the Government's intention is to defer the setting of referendum principles for three years. This issue will therefore have no impact on Bingley Town Council's loan application but the town council precept may be subject to referendum principles after 2020.

4. Steps the council has in place to mitigate not being able to afford the loan

Bingley Town Council will use its precept to fund the loan and there are no risks associated with the precept and therefore funding the loan initially. Post 2020 the precept may be subject to referendum principles, but the amount of loan will be a small percentage of the overall budget and savings could be made elsewhere.

5. Evidence of public support for the project and to increase the precept

The town council has undertaken significant public consultation to inform the public and gauge opinion about the proposals for the toilet/office development. A copy of the public consultation leaflet is attached and the consultation ran from 2nd December- 31st December 2017. The consultation was launched on 2nd December 2017 at a day long public event and this was followed up by a further event at the local library on 16th December 2017.

Following the consultation event on the 2nd December 2017 the consultation was launched on Facebook and on the town council website www.bingleytowncouncil.gov.uk. A timeline of the consultation is attached and in addition to the above, newspaper articles in the Telegraph and Argus on 23rd November 2017 and 30th December 2017 reported the consultation. Residents and local people were encouraged to fill in the consultation survey either online or in paper format. 484 responses were received, 418 from Bingley residents of whom 324 were in favour of increasing the precept to fund the proposed project. 59 Bingley residents were not in favour of increasing the precept.

Following the extensive public consultation, the town council was:

- Contacted by some local residents wishing to include a Changing Places facility into the revamped public toilet building. This included the council dealing with two requests under the Freedom of Information Act and a formal request for a reasonable adjustment to the toilet building. For the latter, the town council obtained legal advice, resulting in an extension to the amount of time the project had been anticipated to take. The council has continued extensive investigations into the Changing Places facility since its resolution in June 2018 to investigate installing a facility in Bingley. It has included £12,000 in its current budget for a Changing Places facility and had made good progress with inquiries into the facility being installed at town council cost into the local public swimming pool. These inquiries have currently stalled owing to the costs (220K) required to bring the pool's electrics up to date to enable any added electrical feature, including the Changing Places facility, to be installed in the pool. However, a Community Asset Transfer of the pool is being pursued by a local group constituted as a Charitably Incorporated Organisation. Therefore, there is still a possibility of a Changing Places facility at the pool, funded by the town council.
- Contacted by a local businessman exploring offering the local ex Magistrates Court to the town council for community use, including town council offices. The businessman decided after some time to use the building for other purposes and withdrew his offer of accommodation to the town council. Again, this added time into the project to convert the toilet block into offices plus public toilets.

These developments resulted in the project being unable to start as planned in the financial year 2018-2019.

6. Evidence that any risks and uncertainties affecting the financing of the project have been taken into account.

The Town Council has obtained information from local businesses/ offices about the running costs for the office and the information about the costs for the toilets has come from Healthmatic, a specialist public toilet provider. As the costs of the loan will be covered by the precept there are no risks associated with financing the loan.

7. Details of any significant financial developments that might affect the ability of the council to finance the costs as far as can be reasonably foreseen

As a new town council, Bingley has no significant issues or developments that may inhibit its ability to pay the costs of the loan.

8. Attachments

Town council budget 2019-2020

Tables of costs

Rance Booth Smith costings for project

Town Council consultation document

Survey document

Timeline for public consultation