

Policy & Resources Committee Meeting	
Meeting Date	16 October 2024
Report Title	Beach Hut Phase 1 Tender Award
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Martyn Cassell, Head of Environment and Leisure
Lead Officer	Jay Jenkins, Leisure and Technical Services Manager
Classification	Open plus Exempt Appendix
Recommendations	1. That the Committee recommends the amendment to the capital programme beach hut allocation by £59,719.55 to facilitate maximum capital and revenue return on this project.

1 Purpose of Report and Executive Summary

- 1.1 The Community Committee approved the progression of a tender for phase 1 of the beach hut developments. However, the delegation stated that the officers could only proceed with awarding the contract if the tender stayed within the allocated sum of money.
- 1.2 This report asks for further approval due to the tender prices exceeding the original budget.

2 Background

- 2.1 The Council currently has 55 beach huts either directly owned and managed by Swale Borough Council (SBC) or privately owned and sited on land under Borough Council control.
- 2.2 The previous tender returns were significantly over budget. A second tender process was advertised with a revised specification with two lots. Lot 1 was for 26 huts as previous tender and Lot 2 was for 16 huts, 8 at each location.
- 2.3 The Lot 1 winning tender exceeds the budget set aside in the capital programme by £59,719.55. Therefore, further approval is required to allocate the funding in the capital programme. This will facilitate maximum return on the capital receipts and future revenue from this project.

3 Proposals

- 3.1 That the Committee approves the amendment to the capital programme beach hut allocation by £59,719.55.

4 Alternative Options Considered and Rejected

- 4.1 To proceed with Lot 2. at a sum of £127,768.35 with the resultant capital receipts and revenue return identified in Appendix 1.
- 4.2 This is not recommended as although within the current capital budget allocation, it reduces the ongoing revenue that would be achieved and would not facilitate the potential capital receipts.

5 Consultation Undertaken or Proposed

- 5.1 The Beach Hut Policy which was approved by the Regeneration and Property Committee on 12 March 2024 included public consultation but no further consultation has been needed for the tender process.

6 Implications

Issue	Implications
Corporate Plan	<p>The policy relates to two priorities.</p> <p>Community: To enable our residents to live, work and enjoy their leisure time safely in our borough and to support community resilience.</p> <p>Economy: Working with our businesses and community organisations to work towards a sustainable economy which delivers for local people.</p>
Financial, Resource and Property	<p>The current 2024-25 revenue budget assumes increased income from beach hut rental. This will need to be reduced as part of the budget setting process as it assumed phase 2 would also progress. However, building these phase 1 huts will reduce the amount lost in revenue.</p> <p>The current 25/26 income budget is £70,840. The current huts generate £35,000. This leaves a gap of £35,840. Approving the additional capital to proceed with 26 huts reduces the gap to £16,930.</p> <p>A sum of £143,000 is already allocated in the capital programme to fund the installation of the 26 additional beach huts. (Lot 1). Following the return of tenders a further £59,719.55 is required to be added to the programme.</p>

	Projected Capital Receipts returns for both Lots can be seen in Appendix I. (Exempt)
Legal, Statutory and Procurement	<p>Beach huts are a discretionary service and therefore fall under the Local Govt Miscellaneous Act where Councils are able to levy fees.</p> <p>The beach huts have been confirmed as under permitted development due to their size and nature.</p> <p>The contract will be drawn up using the Council's current standard Terms and Conditions which have been approved by Mid Kent Legal Services and Finance</p>
Crime and Disorder	<p>The beach hut policy has a section relating to security and anti-social behaviour. We are confident our policies and terms and conditions allow us to control behaviour at the huts.</p> <p>Due to the remote location of the huts, they will always be susceptible to vandalism and theft. Our terms and conditions encourage owners and renters to secure their asset robustly and to not leave items of value in overnight.</p>
Environment and Climate/Ecological Emergency	<p>The huts are made from sustainable wood sources as detailed in the specification for construction. They do not require mains utilities and we often find owners/renters use sustainable power sources such as solar panels to assist them.</p> <p>The locations of the huts are considered carefully to ensure they do not have a detrimental impact to the environment. Relevant surveys (Preliminary Ecological Appraisal) will be undertaken in both areas.</p>
Health and Wellbeing	As detailed in the corporate plan we encourage active recreation and beach huts encourage users to enjoy the coastal environment.
Safeguarding of Children, Young People and Vulnerable Adults	There are no safeguarding concerns considered in relation to the contract award.
Risk Management and Health and Safety	<p>The licence requires all owners and the Council (in relation to rental huts) to maintain the asset to a good standard. This reduces the risk of injury. Furthermore, there are strict rules on what can and can't be done in or stored in the huts to reduce fire risks.</p> <p>Part of the procurement process ensures that contractors are fully competent, particularly in the area of health and safety. Company A's competence is evidenced through their tender submission.</p>

Equality and Diversity	<p>The current hut design means steps are required for access. The policy however sets out how the Council will consider adaptations in order to provide for disabled access.</p> <p>The pricing structure has been revised recently to provide more accessible weekly rents for those that cannot afford to purchase or annually rent the hut.</p>
Privacy and Data Protection	The waiting lists and licences are held in accordance with data protection principles.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Exempt Appendix I – Beach hut financial projections – October 2024

8 Background Papers

n/a