

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF ECONOMY COMMITTEE ON 29 March 2022

### PART A : REPORT

**SUBJECT: Installation of Additional Beach Huts in Littlehampton, West Sussex**

**REPORT AUTHOR: Paul Broggi – Property, Estates & Facilities Manager**  
**DATE: 18 February 2022**  
**EXTN: 01903 737506**  
**AREA: Technical Services**

#### **EXECUTIVE SUMMARY:**

This report seeks to set out a viable business case for the installation of additional beach huts within Littlehampton. Consent is also sought to proceed to submission of a suitable planning application and to procure the manufacture and installation of beach huts on site. This will ensure the Council secures additional leaseholders and increase service revenue, working towards meeting the known customer demand for access to this popular seaside service.

#### **RECOMMENDATIONS:**

That Committee:

- 1** - Approves proceeding with the procurement and installation of 17 new composite beach huts including supporting bases in the locations set out at Appendix 1 of this report.
- 2.** Delegate to the Group Head of Technical Services, authority to enter contract for the supply and installation of composite beach huts with the most economically advantageous contractor following the procurement exercise.
- 3** - Delegates to the Group Head of Technical Services authority to submit any necessary planning application(s) for the purpose of installing additional beach huts in Littlehampton.

#### **1. BACKGROUND:**

**1.1.** Demand for beach huts remains high, as confirmed and set out in the recent Beach Hut service review heard and agreed by the Economy Committee in October 2021. The Economy Committee instructed that Property & Estates proceed to review and bring back proposals to Committee for the siting of additional beach huts at the earliest opportunity, hence this report.

**1.2.** The Council previously submitted a planning application for the siting of an additional 20 new composite beach huts in March 2021 on the seafront in Littlehampton under planning application reference LU/50/21/PL. (link to application at Appendix 3)

This application went to the Council's Development Control Committee (DC) on the 28 April 2021. The planning application was presented to DC with a Planning Officer recommendation for approval.

DC subsequently refused the planning application on the grounds that given the number and position of the proposed beach huts and the lack of accessibility detail the development would adversely affect the visual amenities of the locality in conflict with policies D DM1, DSP1 and LAN DM1 of Arun Local Plan and policy SCP-1 of the South Inshore and Offshore Marine Plan.

The Planning Officer in her report to DC expressed the view that the planning application submitted was compliant in all aforementioned policy areas.

**1.3.** During the past refused planning application (LU/50/21/PL) a representation was received at consultation stage regarding making provision for accessible beach huts. There are no plans to make any of the 17 proposed standard composite huts wheelchair accessible. This aspect is covered and explained in further detail within the EIA at appendix 5.

**1.4.** To address the past planning application refusal the recommendations in this report look to reduce the number of planned beach huts to install from 20 to 17. This will see the removal of 3 of the Western most located huts. (see plan at appendix 1)

**1.5.** Initial comments received by Property & Estates following the planning refusal included to relocate the bank of 10 beach huts proposed on the Western end of the existing run of beach huts to the Eastern end, just past the newly constructed beach café. Property & Estates have consulted the Council's Coastal Engineers on this proposal. The Engineers have confirmed that the shingle in the Eastern location to be unstable and the beach subject to annual over wash with loss of shingle. This is therefore not considered to be a viable alternative location upon which the Council should locate beach huts due to the risk of sea damage to the Councils assets.

**1.6.** In terms of economies of scale when purchasing the beach huts in the past the Council looked to secure a fixed manufacturing run. This requires the manufacturer to produce vacuum moulds to run out the necessary composite materials for the walls, roofs and flooring sheeting materials. They also need to employ suitably skilled staff (carpenters) to complete the hut builds.

Ordering small numbers of beach huts causes the individual unit price to increase as the manufacture cannot take advantage and pass on the economies of scale they attain with larger orders. When added to the haulage costs to get the beach huts to site from the factory this makes the smaller install schemes more expensive. In the event the Council are unable to locate 7 beach huts to the Eastern end of the beach hut run in Littlehampton this would then leave the scheme with a total hut install of 10 units. This is not considered to be a viable single project.

**1.7.** The rental rates included in the viability study at appendix 2 are in accordance with the beach hut review recently carried out. All new beach huts would be offered to persons whose main residence was within the Arun District, in accordance with the Economy Committee's agreed and carried policy. The leaseholder for the new installations would be obtained from the Council's closed customer waiting list.

**1.8.** The viability study attached at Appendix 2 confirms the estimated cost to install seventeen beach huts with new bases as £185,671. Assessing revenue generated over nine years, post install, this estimates total revenue for 17 beach huts (plus lease fees) at £200,400 (assuming 100% letting, currently achieved on all sites across the District). The viability proposal therefore predicts a breakeven point during year nine. The first three years' rental income included within the viability study are set under the proposed new lease from 1<sup>st</sup> April 2022. Years four onwards have been included with a 3% uplift in rent each year. Anticipated annual revenue generation from years seven to fifteen are included in Appendix 2.

**1.9.** It should be noted that the price of supply and manufacture of composite beach huts has increased significantly. The budget allowance included in Appendix 2 provides for these increased costs and to supply and install a new Eco Beach Hut. This beach hut will look identical to those currently installed but will be constructed out of composite panels made from 98% recycled material in order that the hut meets the Council's challenging environmental commitments.

**1.10.** Funding for beach huts is included in Council's asset management budget for 2021/22. As it is unlikely the beach huts can be procured before 31 March 2022, this funding from 2021/22 will be carried forward to 2022/23. Demand for composite beach huts is high. Should the Committee agree the recommendations of this report and proceed with the installation of 17 additional beach huts then the Council should expect long lead in times (6 to 9 months) from placement of order to physical installation.

**1.11.** The proposal supports the Council's emerging vision in respect of fulfilling Arun's economic potential. The vision seeks to encourage the development of the district as a key tourist destination, supporting and enabling improvements and activities to increase visitor spend. Performance indicators include the increase in number of visitors, length of stay and visitor spend.

**1.12.** The Council is keen to ensure that it caters for the accessibility needs of those on its (closed) beach hut waiting list. Being located upon shingle that is subject to regular movement and sea over-wash in the most extreme weather conditions makes this a very challenging aspect of service provision. It is not therefore proposed that the beach huts in this installation will be wheelchair accessible. As set out in the equalities impact assessment at appendix 5 of this report it is the intention to submit a report to the Economy Committee within the next 12 months. This report will look to address provision of additional beach huts, a proportion of which will be fully wheelchair accessible. These huts will need to be in appropriate positions to afford ease of wheelchair access. The Council will look to consult potential customers held upon its closed waiting list to identify the number requiring accessible facilities to inform the next beach hut installation project.

**1.13.** The Current composite beach huts purchased are of standard design in respect of size / layout to standardise look. The Council worked with the manufacturer to design and produce this new style of hut. Accessible beach huts will clearly need to be a different size / design and so will require a manufacturer to design and gear up for production including different composite sheet manufacture. This will require additional cost and time to conclude.

**2. PROPOSAL(S):**

That Committee:

**2.1** - Approves proceeding with the procurement and installation of 17 new composite beach huts including supporting bases in the locations set out at Appendix 1 of this report.

**2.2.** Delegate to the Group Head of Technical Services, authority to enter contract for the supply and installation of composite beach huts with the most economically advantageous contractor following the procurement exercise.

**2.3** - Delegates to the Group Head of Technical Services authority to submit any necessary planning application(s) for the purpose of installing additional beach huts in Littlehampton.

**3. OPTIONS**

**Alternatively:**

**3.1** - That the Economy Committee do not agree to proceed with the proposed procurement and installation of the beach huts.

**3.2** – That the Economy Committee amends the proposals included with in the report to approves the provision of an alternative option.

**4. CONSULTATION:**

Has consultation been undertaken with:	<b>YES</b>	<b>NO</b>
Relevant Town/Parish Council (see appendix 3)	X	
Relevant District Ward Councillors	X	
Other groups/persons (please specify)		X

<b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)</b>	<b>YES</b>	<b>NO</b>
Financial	X	
Legal	X	
Human Rights/Equality Impact Assessment	X	

Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X
Asset Management/Property/Land	X	
Technology		X
Other (please explain)		X

## 6. IMPLICATIONS:

### Financial

£260k is included in the 2021/22 Asset Management budget for Procurement and maintenance of Beach Huts. As it is unlikely that the beach huts can be procured before 31 March 2022, any unused balance of the funding should be re-profiled to 2022/23. The budget approved by the Council on 23 February 2022 includes £5k for this.

### Legal

Compliance with S.123(2A) Local Government Act 1972 is to be achieved by way of advertising the proposed disposal of open space and considering representations made.

### Asset Management / Property / Land.

The Property & Estates team will manage this project in house including identifying new tenants and processing leases with the assistance of Legal Services.

## 7. REASON FOR THE DECISION:

Beach hut services remain in high demand as set out in the recent Beach Hut service review agreed by the Economy Committee in October 2021. The Economy Committee instructed Property & Estates to proceed to review and bring back proposals to Committee for the siting of additional beach huts at the earliest opportunity resulting in this report.

The business / viability case attached at appendix 2 provides a positive picture indicating payback on investment within 6 years.

The proposal supports the Council's emerging vision in respect of fulfilling Arun's economic potential. The vision seeks to encourage the development of the district as a key tourist destination, supporting and enabling improvements and activities to increase visitor spend. Performance indicators include the increase in number of visitors, length of stay and visitor spend.

For the above reasons the recommended decision within this report is considered to be in the best interests of the Council.

**8. BACKGROUND PAPERS:**

Appendix 1 – Plan showing previous beach hut layout (20 units) and plan showing proposed layout (17 units)

Appendix 2 – Business Case / viability proposal

Appendix 3 – Link to Passed refused planning application ([LU/50/21/PL](#))

Appendix 4 – Consultation responses received from Ward and Town Council

Appendix 5 – Equality Impact Assessment