

Appendix 2 - Littlehampton Beach Hut Business Case / Viability Proposal

Eco Beach hut individual price (£10,363) to include stainless steel doorset and also upgrade to sustainable composite panels in order to meet ADC climate commitment. This will ensure that the cladding products used are made from 98% recycled materials.

Project Budget Costs	
Planning consultant	£1,000
Manufacture deliver & install 17 beach huts	£176,171
Prepare and construct bases for 17 beach huts	£8,500
Project total £	£185,671

Budgeted Revenue	No huts	Rate p/a	Total
New lease fee	17	£150	£2,550
Year 1 rental income for 17 beach huts	17	£968	£16,462
Year 2 rental income for 17 beach huts	17	£1,083	£18,408
Year 3 rental income for 17 beach huts	17	£1,198	£20,367
New lease fee (estimated)	17	£190	£3,230
Year 4 rental income (estimated) for 17 beach huts	17	£1,234	£20,978
Year 5 rental income (estimated) for 17 beach huts	17	£1,271	£21,607
Year 6 rental income (estimated) for 17 beach huts	17	£1,310	£22,270
New lease fee (estimated)	17	£210	£3,570
Year 7 rental income (estimated) for 17 beach huts	17	£1,350	£22,950
Year 8 rental income (estimated) for 17 beach huts	17	£1,391	£23,647
Year 9 rental income (estimated) for 17 beach huts	17	£1,433	£24,361
New lease fee (estimated)	17	£230	£3,910
Year 10 rental income (estimated) for 17 beach huts	17	£1,476	£25,092
Year 11 rental income (estimated) for 17 beach huts	17	£1,521	£25,857
Year 12 rental income (estimated) for 17 beach huts	17	£1,567	£26,639
New lease fee (estimated)	17	£250	£4,250
Year 13 rental income (estimated) for 17 beach huts	17	£1,615	£27,455
Year 14 rental income (estimated) for 17 beach huts	17	£1,662	£28,254
Year 15 rental income (estimated) for 17 beach huts	17	£1,712	£29,104

subtotal (years 1 to 9) £			£200,400
subtotal (years 1 to 15) £			£370,961

Summary

Years 1 to 9 predicted total income	£200,400
Year 1 to 9 estimated reactive maintenance	£10,200
Estimated total income at end of year 9 less costs	£190,200
Cost of installation of 17 huts	£185,671
Estimated balance profit year 9.	£4,529
<i>Proposed scheme estimated to break even during year 9.</i>	