

Appendix 1

Littlehampton Beach Hut Business Case / Viability Proposal

Standard eco beach hut individual price **£13,309** 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.

Accessible eco beach hut individual price **£27,599** 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	£1,600
Manufacture, deliver, and install 9 standard beach huts and 3 accessible huts	£202,578
Prepare and construct bases for 10 standard beach huts and 3 accessible huts	(estimated) £25,000
Project total	£229,178

NB: The Council currently holds 1 standard beach hut in stock

Budgeted Revenue Standard Huts (x10)	No huts	Rate p/a	Total
New lease fee	10	£150	£1,500
Year 1 rental income for 10 beach huts	10	£1,214	£12,140
New lease fee (estimated)	10	£190	£1,900
Year 2 rental income for 10 beach huts	10	£1,250	£12,500
Year 3 rental income for 10 beach huts	10	£1,288	£12,880
Year 4 rental income for 10 beach huts	10	£1,327	£13,270
New lease fee (estimated)	10	£210	£2,100
Year 5 rental income for 10 beach huts	10	£1,367	£13,670

Year 6 rental income for 10 beach huts	10	£1,408	£14,080
Year 7 rental income for 10 beach huts	10	£1,450	£14,500
New lease fee (estimated)	10	£230	£2,300
Year 8 rental income for 10 beach huts	10	£1,494	£14,940
Year 9 rental income for 10 beach huts	10	£1,538	£15,380
Year 10 rental income for 10 beach huts	10	£1,585	£15,850
New lease fee (estimated)	10	£250	£2,500
Year 11 rental income for 10 beach huts	10	£1,632	£16,320
Year 12 rental income for 10 beach huts	10	£1,681	£16,810
Year 13 rental income for 10 beach huts	10	£1,731	£17,310
New lease fee (estimated)	10	£270	£2,700
Year 14 rental income for 10 beach huts	10	£1,783	£17,830
Year 15 rental income for 10 beach huts	10	£1,836	£18,360
Year 16 rental income for 10 beach huts	10	£1,891	£18,910
Subtotal (years 1-14)			£220,480

NB: Year 2 onwards assumes a 3% rental increase year-on-year

Budgeted Revenue Accessible Huts (x3)	No huts	Rate p/a	Total
New lease fee	3	£150	£450
Year 1 rental income for 3 beach huts	3	£1,214	£3,642
New lease fee (estimated)	3	£190	£570
Year 2 rental income for 3 beach huts	3	£1,250	£3,750
Year 3 rental income for 3 beach huts	3	£1,288	£3,864
Year 4 rental income for 3 beach huts	3	£1,327	£3,981
New lease fee (estimated)	3	£210	£630
Year 5 rental income for 3 beach huts	3	£1,367	£4,100
Year 6 rental income for 3 beach huts	3	£1,408	£4,223
Year 7 rental income for 3 beach huts	3	£1,450	£4,350
New lease fee (estimated)	3	£230	£690
Year 8 rental income for 3 beach huts	3	£1,494	£4,481
Year 9 rental income for 3 beach huts	3	£1,538	£4,615

Year 10 rental income for 3 beach huts	3	£1,585	£4,754
New lease fee (estimated)	3	£250	£750
Year 11 rental income for 3 beach huts	3	£1,632	£4,896
Year 12 rental income for 3 beach huts	3	£1,681	£5,043
Year 13 rental income for 3 beach huts	3	£1,731	£5,194
New lease fee (estimated)	3	£270	£810
Year 14 rental income for 10 beach huts	3	£1,783	£5,349
Year 15 rental income for 10 beach huts	3	£1,836	£5,508
Year 16 rental income for 10 beach huts	3	£1,891	£5,673
Subtotal (years 1-14)			£66,142

NB: Year 2 onwards assumes a 3% rental increase year-on-year

Summary	
Years 1-14 predicted total income	£286,622
Cost of installation of 10 standard beach huts and 3 accessible huts	£229,178
Year 1-14 estimated reactive maintenance	£10,200
Estimated total income at end of year 14 less costs (balance profit)	£47,244
Scheme estimated to break even during year 14	