

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

4 OCTOBER 2013

REPORT OF PORTFOLIO HOLDER FOR ENVIRONMENT AND COAST PROTECTION

A.3 BEACH HUT STRATEGY FOR TENDRING

(Report prepared by Ian Taylor)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to Cabinet a proposed Beach Hut Strategy for Tendring.

EXECUTIVE SUMMARY

The Beach Hut strategy provides:

- The mission, objectives and key measures of success from a Beach Hut strategy for Tendring.
- Outlines key policies and actions in support of the above mission, objectives and measures of success.
- A work programme designed to implement policies and plans which will translate objectives into reality.

The report presents the Beach Hut strategy for Tendring and makes recommendations to adopt the strategy and approve the aims, key priorities and the business plan designed to support them.

Agreement to the above will:

- Direct and inform the Council's management of its own beach hut sites and beach huts owned by the Council.
- Direct and inform potential investors, customers and other key stakeholders of the requirements and standards as well as the longer term aspirations of the Council in respect of beach huts and beach hut sites in the District.
- Provide clear direction on beach hut objectives to support tourism and inward investment strategies of the Council.
- Provide revenue and capital to support tourism, inward investment and financial strategies of the Council.

RECOMMENDATION(S)

It is recommended that:

- a) The Beach Hut Strategy be adopted.**

Subject to a), that:

- b) The Corporate Director (Public Experience) and Corporate Director (Corporate Services), in consultation with the Portfolio Holders for Environment and Coast Protection and Finance and Asset Management, are authorised to**

explore and implement:-

- i. **Opportunities to generate additional capital and/or revenue income from the sale or lease of new beach huts;**
- ii. **Opportunities to utilise income from beach huts to fulfil the policy aims of the strategy;**
- iii. **Opportunities to utilise income from beach huts to improve seafront assets and facilities generally.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Beach Hut Strategy for Tendring reflects wider Council priorities contained within the Corporate Plan and Sustainable Community Strategy and will support tourism, inward investment and financial strategies of the Council.

FINANCE, OTHER RESOURCES AND RISK

The proposed strategy will ensure well managed beach hut sites and provide capital and revenue income important to maintaining this Council's financial strategy as well as offering opportunities to improve existing facilities and / or to fund new ones.

The proposal for a self sustaining or self financing business model will minimise risk financial and other.

LEGAL

The options for consideration in this report are within the Council's legal powers.

OTHER IMPLICATIONS

Consideration has been given to the implications of the recommendations proposed and any significant issues are set out below.

The Beach Hut Strategy for Tendring will assist with managing income and resources available to the Council within the context of TDC's ongoing spending / service review.

Consultation/Public Engagement - The policies within the strategy provide for regular public engagement raising the profile of beach hut and seafront issues, enhancing the reputation of the Council.

Crime and Disorder – Policies relating to Crime and Disorder initiatives are contained within the proposed strategy.

Equality and Diversity – Policies within the proposed Beach Hut Strategy for Tendring support the most vulnerable members of the community. Increasing the use and range of people using beach huts is a key policy objective within the Beach Hut Strategy.

Health Inequalities – Promoting healthier lifestyles by encouraging visits and visitors to the seaside by the improvement of seafront assets is a policy outcome achievable from proposals within the Beach Hut strategy

Area or Ward affected – all wards are affected by the recommendations in this report

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Beach huts have been a prominent and significant part of the Tendring coast for many years.

Beach huts provide a significant income to the Council but also impose obligations on the Council for the maintenance and improvement of the surrounding land.

The ratio of beach hut ownership in Tendring is approximately 60% local and 40% non resident. There are six main areas for beach huts, Clacton, Holland-on-Sea, Frinton-on-Sea, Walton-on-the-Naze, Dovercourt and Brightlingsea and five beach hut associations representing the majority of beach hut owners (Clacton and Holland share an association).

There are a number of issues relating to beach huts and beach hut sites which require attention and any solution to these long standing issues would benefit from the adoption of a more strategic approach. These include

- **Appearance** – of both individual huts and the surrounding areas.
- **Infrastructure** – slopes / footpaths / utilities.
- **Legal rights and the market** – sales and licences.
- **Unauthorised structures** – safety and legal issues.
- **Security** – CCTV / patrols / anti-social issues.
- **Facilities** – toilets / shops / entertainment.
- **Other Uses** – new developments and potential for beach huts to regenerate the seafront and to support tourism / inward investment strategies.

CURRENT POSITION

At present there are over 3,000 beach huts directly under the management and control of Tendring District Council and a number of others on private land.

The majority of beach huts are privately owned by individuals who pay an annual licence fee to the Council. However, the Council retains some beach huts for direct rent.

The market for beach hut ownership remains buoyant and demand for beach huts remains high. However, the market is also generally unregulated and dependant upon the goodwill and commitment of the Council for it to remain stable and for individuals to ensure their investment is secure.

The issues as outlined in the background to this report require attention and work has already commenced with local Beach Hut Associations and seafront businesses for the improvement of security, (including dealing with anti-social behaviour) as well as in relation to the general appearance of beach huts and the introduction of unauthorised structures and additions to beach hut structures.

In addition, some new beach hut developments have already started in 2013 such as the new beach huts in Clacton. This development was intended to provide some indication of the continued popularity of beach huts in the District and to provide useful information for future business planning in relation to beach huts.

CONCLUSION

The development of a Beach Hut Strategy for Tendring along with the associated business plan is intended to further address the areas of concern in relation to beach huts and to provide a framework for supporting tourism and inward investment strategies of the Council.

Beach huts remain an important part of the Tendring seaside experience attracting considerable numbers of visitors to the District both from inside and more importantly in many ways, from outside of the District.

A strategic approach in relation to beach huts and beach hut sites will ensure that many of the current issues such as unauthorised development, poor appearance, security and infrastructure can be addressed.

The seafront and associated seafront activity is recognised as important to the future economic prosperity and well being of the District and well managed beach hut locations and a self sustaining business model designed to provide revenue for seafront improvements supports many of the Council's key priorities.

It is important the key aims of the strategy are achieved whilst being mindful of the current unregulated and private market. Business planning and actions taken in support of policy proposals within the Beach Hut Strategy should be taken whilst carefully monitoring continued demand.

The recent development of the Clacton beach huts have proved extremely popular with demand for them currently very high, both to rent and to purchase outright.

This development has provided a clear indication of what is possible from a Beach Hut Strategy.

Further development opportunities exist within other existing beach hut locations and the proposed coastal protection and enhancement scheme for Clacton to Holland-on-Sea also affords a significant opportunity to improve the coastal assets of Tendring.

The adoption of the proposed Beach Hut Strategy for Tendring and achievement of the key aims within will make a significant contribution to improving seafront assets and amenities and will support tourism and inward investment strategies for Tendring.

APPENDICES

Appendix A – Proposed Beach Hut Strategy for Tendring

BACKGROUND PAPERS FOR THE DECISION

None

Tendring District Council Beach Hut Strategy & Business Planning 2013

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1.0 Executive Summary

Along the Tendring coast there are currently 3,039 beach huts directly under the operation and management of Tendring District Council with some others on private land or land under Town Council control.

Beach huts are an important and significant feature of Tendring life. Beach huts are prominent in advertising and the marketing of Tendring as a visitor / tourist destination. Beach huts not only offer a popular recreational activity including encouraging use of the seaside for local people, they also bring in families and visitors from outside the District. The current ownership of beach Huts in Tendring is divided 60% locally owned and 40% owned by non residents.



This figure varies from location to location with Walton-on-the-Naze attracting the greatest proportion of outside ownership.

The market for beach hut sales is private and largely unregulated and its success is dependant upon trust and confidence based on past history. Tendring District Council beach hut sites are currently only offered

on the basis of a one year site licence. Despite the apparent lack of security of tenure, beach huts can change hands for significant sums. The Council is currently investigating a range of options with regard to existing beach hut sites and other seafront areas including the possible realisation of capital arising from selling new sites and huts and / or increasing revenue streams from the same. This includes exploring options for new types of huts and the facilities within them in order to support wider tourism and inward investment objectives.

Demand for beach huts or beach hut sites offered directly from the Council remains high despite the economic downturn. However this is linked to potential rewards arising from the instant re sale of beach huts on the open market with prices ranging from £5,000 to £30,000. The introduction of further beach huts and the potential to sell or rent these under a variety of potentially different terms and conditions is an essential part of this document.

Beach hut sites and the licences granted also impose obligations on and expense to the Council which offsets much of the revenue received. Maintenance of slopes and footpaths and tackling coastal/ cliff erosion where many beach huts are located are examples of this.

Issues around the appearance of beach huts, unauthorised extensions to them and safety features of the huts themselves remain an important area of concern. The development of new licence agreements and new tariff structures as outlined in this document whilst adding some costs initially has the potential to also achieve additional revenue to help the Council maintain the coastline and to improve facilities along the coast.

Opinion about the value of beach huts is divided. The huts are seen as vitally important aspects of the local tourist/visitor economy but have also been quoted as self sufficient units encouraging little in the way of local purchases. There has been no past strategy in relation to beach huts in Tendring and no development of wide ranging policy options with regard to them and many of the issues relating to maintenance and land use are overdue a thorough review and appraisal.

Beach huts are present in all coastal areas of the District and are supported by well organised local Beach Hut Associations.

Mission

To create a framework for service provision which will ensure the continued popularity of Beach Huts in Tendring and to transform the stated objectives and aspirations into reality.

Objectives

The objectives for the Beach Huts service at Tendring District Council are to provide a customer focused, efficient, quality service, seeking income opportunities which will enable:

- **Improved seafront assets and infrastructure**
- **Increased awareness of local seafront issues**
- **Support for tourism and inward investment strategies of the Council**

Keys to Success

Keys to success include:

1. **Increasing the popularity and the use of beach huts in Tendring**
2. **Improved infrastructure supporting existing and future beach hut provision**
3. **Pricing and Income as part of a business plan to support 1 and 2 above**
4. **Improved appearance and range of use of beach huts and beach hut sites**
5. **Improved consistency of beach hut standards**
6. **Develop strategies and policies for ensuring beach huts contribute positively to the local economy**

2.0 Policies in Support of Mission, Objectives and Keys to Success

Income

To generate sufficient income to meet operating costs, to support future maintenance requirements and to enable investment for developing opportunities for further beach hut provision in line with inward investment and tourism strategies.

There are a number of beach hut sites across the District where additional beach huts can be located. The potential for income will depend upon:

- The cost of building and the location of new beach huts which vary dependant upon location – some areas can be “in filled”, others require new supporting infrastructure such as bearers.
- The level of rent received from beach huts – this varies from area to area
- Whether beach huts are sold and capital receipts obtained – varies according to demand in certain areas.
- Whether beach huts are marketed and rented directly from the Council or its agents



Security

All beach hut areas should offer a safe environment for the public to enter and for users to enjoy with confidence of their own safety as well as the protection of their investment.

To promote and support Beach Hut Associations with regard to security issues by seeking to

- Install CCTV camera coverage and work with local businesses and Beach Hut Associations in respect of this
- Improve patrol options by joint working with Council staff and Beach Hut volunteers
- Longer term work with Crime Reduction partners on alcohol / drug issues and youth offending



Standard of Maintenance & Appearance

These standards apply to both the standard and appearance of the individual beach hut which is the owner's responsibility AND also to the surrounding areas and sites upon which beach huts are present which is the responsibility of the Council.

The Council to provide a palette of colours and will consider incentives to encourage hut owners to follow.

All beach hut areas and individual beach huts should be maintained to a high standard which in turn will support priorities for tourism and inward investment.

This will include sound structures and agreed additional features of individual beach huts including the surface layouts and boundaries as well as the general attractiveness of the appearance of beach huts, including a palette of suggested colours.

All sites to be kept clean with plentiful number of litter bins in place.

Improvements to the quality and standard of beach huts are issues that require immediate attention. Whilst essential repairs have been made to existing beach hut areas or sites – to supporting bearers, retaining walls and sub soil, these have not been undertaken as part of a planned programme, or in relation to an overall business plan and in many areas the pace of improvement has not kept up with the aspiration of users.

There is also an urgent need to agree policies and actions in respect of the overall appearance of beach huts in Tendring. At present dilapidated huts and unauthorised structures are addressed individually but the overall position would benefit from an agreed strategic approach, which will be possible following a detailed survey of locations and their requirements.

It would be desirable to improve the overall image of beach huts and the structures generally and to move away from the tendency to protect beach huts with wood stain or preserver. Although this is an effective way to preserve a beach hut in exposed locations it leaves many beach hut areas resembling allotments with garden sheds rather than prime seafront tourist and visitor areas.

The issue of colour and appearance could be linked with income and tariffs by offering incentives for brighter coloured huts in the form of rent rebates or lower standard tariffs.

Existing seafront budgets provides for maintenance of beach huts sites including the slopes and footpaths around them. However, adoption of the principles for improving revenue potential, or the raising of capital as outlined within the business plan will help to implement many of these requirements more quickly. This also has the potential to ensure improvements or the betterment of sites as opposed to only maintenance or minimum standard.



Tariff Structure

In addition to income from the development of new beach huts it is possible to develop additional income by means of new or alternative tariff structures or pricing strategies in order to support tourist and inward investment opportunities along the coast.

Discounted arrangements to support the implementation of other policies such as beach hut appearance, the encouragement of wider use of beach huts can be considered.

A more radical examination of tariff structures should consider the market values of beach huts and how this can be fully utilised for the benefit of the District.

Examples include different rates for prime locations as currently exists and differing rates for front row or second tier within locations in addition to different rates for additional structures such as verandas, patios or other additions to the beach hut site.

The current tariff structure has not been reviewed for some time. At present there are different tariffs for residents and non-residents.

A consistent approach to tariffs charged across the District and to charge tariffs more suitable for the usage and type of the beach hut and beach hut location is desirable and likely to ensure the best outcome from the business plan.

Provision of Beach Huts & Alternative Provision

Consideration will be given to the need for additional beach huts and the introduction of new beach hut site locations. Any proposals developed will include recognising the impact on the community and consideration of local issues and in particular tourism and inward investment strategies for the District.

There are different beach hut type facilities across the world and in recent times many new ideas for daytime camping and seafronts have been developed. These include, amongst other things, alternatives to the traditional beach hut provision with beach huts that offer different designs and opportunities that attract a range of different users. Any business plan should incorporate ideas or provision for exploring alternative options which may increase the type of beach hut user and attract a different user.



Optimising Usage & Satisfying Demand

Maximising income possibilities and the examination of existing tariffs will assist towards achieving objectives and key targets.

The private market for beach huts and beach hut sales remains reasonably buoyant but turnover and sales are subject to overall downturn in the property market. However this is not currently evident in Tendring.

At present the demand for beach huts in the District remains high. All licences are paid annually and few, if any, owners default on payment.

There is also a clear demand from local residents for “affordable” access to beach huts and opportunities also exist to stimulate demand from both inside and outside the District and to extend the range of people with access to a beach hut.

Marketing of beach huts – web marketing and marketing from more traditional sources has not been previously undertaken on any scale. Active marketing represents an opportunity within the business plan to increase demand. However, careful or prudent management of any marketing or development of additional beach huts is required to prevent instability in the existing market.

Consultation

Regular consultation is to be undertaken with:

- (i) Beach Hut Associations, all hut owners / users**
- (ii) Representatives of the local community**
- (iii) Portfolio Holder(s) and Cabinet**
- (iv) Other Local Authority and Commercial Sector Providers**

At present the Council receives feedback by means of regular meetings with local Beach Hut Associations, Town and Parish Councils as well as the web based information and enquiry / complaint system for the District Council. The Council has attended a meeting with every local Beach Hut Association throughout 2012 and 2013 and this is anticipated to continue.

The introduction of regular meetings with Beach Hut Associations by means of an “umbrella” group meeting intended to cover issues relevant to all Beach Hut Associations has so far proven popular and successful and will help drive this strategy forward.

3.0 Business Planning for the Beach Hut Service

The objective of any strategy in relation to beach huts is to perform effectively to the above policies and detailed below are actions within a general business plan to support the policy objectives. In addition, the introduction of a self sustaining financial business model will offer options for the introduction of new beach huts and improvements to seafront assets and infrastructure in line with the aims of this strategy.

The business plan guide if adopted and followed will:

- **Ensure that owners maintain beach huts to an acceptable standard.**
- **Identify and address known maintenance requirements of existing sites.**
- **Highlight additional income opportunities designed to support beach hut policies as well as to contribute towards the maintenance of the districts coastline.**



There is an ongoing survey in respect of the location of potential new beach hut sites.

The Business Plan: Short Term – 12 to 24 months

1. **Complete review of potential areas for new beach huts both individually and on a larger scale.**
2. **Market test demand for beach hut rental short term or long term and sale by current proposal to introduce up to 10 new beach huts along Clacton Western Promenade.**
3. **Establish legal issues over lease/ licence**
4. **Work with Cabinet and the relevant Portfolio Holder to establish the priorities for action in relation to beach hut policy and in particular a policy of sale for capital receipt or rent for maximum revenue or mixture of both.**
5. **Develop specific plans for specific areas and in particular the Clacton to Holland-on-Sea seafront in conjunction with coastal defence proposals.**
6. **Establish funding for projects and develop a project timeline.**

Medium Term - 24 months to 3 years

1. Evaluate short term goals
2. Deliver projects:
 - new huts small or larger scale sites
 - improve security at beach hut locations by installation of CCTV in association with Beach Hut Associations and local businesses
 - improve appearance of beach huts generally and measure improvement
 - establish terms and conditions of licenses including resolution of issues around unauthorised structures
 - produce new tariff structures
3. Preparation of work aimed at delivering longer term tourism and inward investment objectives in relation to beach huts or beach hut sites such as the improvement of the Clacton to Holland-on-Sea seafront promenades in conjunction with coastal improvement projects

Longer Term - 3 to 5 years

1. Deliver longer term projects such as the Holland-on-Sea beach hut programme
2. Review existing policies and report back
3. Review options for service delivery

Proposals for “infilling” gaps with additional single beach huts at certain locations and/or the introduction of new beach huts in larger numbers in other areas are currently under consideration.

Capital receipts for beach huts can form part of business planning for improvements to beach hut areas and to support the Council’s wider tourism and inward investment strategies.

However, there are legal issues to investigate and some risks associated with the local authority operating in a private market. Clarity around the sale and possible leasing of seafront sites as well as shorter term letting is important.

4.0 Summary

Using an assessment of individual beach hut sites available and investigating potential larger areas for development, it is possible to demonstrate where additional income can be achieved by the Council to set against requirements for increased expenditure.

In addition to actions designed to support the key policies in relation to beach huts there are anomalies and inconsistencies relating to beach hut areas and beach hut provision across the District which can also be addressed by developing detailed policies and actions as summarised earlier in section 2.0.

To achieve a successful outcome any plan will require a careful balance between the incomes likely to be derived from initiatives taken set against the cost of implementing others.



The cost of constructing a beach hut to TDC standards has already been established by securing the best contractor in accordance with The Council's procurement and financial procedure rules. The potential return on investment in any beach hut location will be dependant upon costs of construction and installation and subsequent demand for beach huts and the open market value in specific locations.

Work is already underway to examine the feasibility of an apprenticeship scheme to build beach huts and to contribute to the wider renaissance of the districts seafronts.

The broader issues in relation to delivering the business plan and meeting policy objectives within this plan /strategy will require good partnership working within the Council and with outside partners.

Achievement of the policies and proposals within this strategy will provide significant support for the Councils tourism and inward investment strategies as well as assisting the financial strategy of the Council.



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