

## **The Vale of Glamorgan Council**

### **Cabinet Meeting: 22 February, 2016**

### **Report of the Cabinet Member for Visible and Leisure Services**

#### **Barry Island Beach Huts**

##### **Purpose of the Report**

1. To update Cabinet on the Policy and rental arrangements for the 24 beach huts located at Barry Island and to review a range of options for the future letting and management of these units.

##### **Recommendations**

1. That the content of this Report is noted.
2. That the management of the beach huts is included in the re- advertisement for the Coastal Concession at Barry Island Promenade for the 2016 - 2021 period.
3. That a further report is provided to Cabinet in April 2016 detailing the outcome of the Coastal concession tender process and final proposals for the letting and management of the beach huts.
4. That the beach hut policy attached at [Appendix A](#) to this Report continues to be used for managing beach hut rentals at Barry Island until the matter outlined in recommendation (2) above has been considered by Cabinet.
5. That this Report is referred to Scrutiny Committee (Economy and Environment) for consideration.

##### **Reasons for the Recommendations**

1. To advise Cabinet on the first season of operation for the beach huts at Barry Island.
2. To enable the beach huts at Barry Island to be included within the coastal concession tender process.
3. To allow Cabinet to determine how the beach huts will be let and managed in the future.
4. To ensure that the beach huts can continue be let whilst options for their longer term management and operation are being considered.
5. To ensure that the relevant Scrutiny Committee is involved in this matter.

## Background

2. A Report was considered by Cabinet on 16th June 2014 in respect to the rental policy and arrangements for the Barry Island Beach Huts (Minute Number C2338 refers). This followed consideration of the matter by the Council's Scrutiny Committee (Economy and Environment) on 20th May 2014.
3. A copy of the current beach hut Policy is attached at [Appendix A](#). The Policy covers rental charges and seasonal operating hours. The small beach huts are currently charged at £15 per day in the autumn / winter and £20 per day in the spring/ summer. The larger huts are rented at £30 per day in autumn / winter and £40 per day in the spring/ summer. Following an officer review of the Policy at the end of May 2015 the Policy was amended to allow beach huts to be booked for half days.
4. The beach huts have been available for rental since Easter 2015. Bookings are generally taken over the telephone via the Council's Contact Centre (C1V).
5. There have been 233 bookings made for the beach huts from Easter 2015 to 10th February 2016 generating £8026 of income.

## Relevant Issues and Options

6. As a new initiative the first year of the beach huts has been a learning exercise for officers and has enabled them to establish what the likely demand is for such a facility, together with what the potential options might be for managing the facility going forward.
7. Initially, there was a slow take up in rentals, though this was expected. To assist in increasing demand, a social media and advertisement campaign was launched. This campaign and the seasonal changes ensured that rentals throughout July and August were reasonably high. The introduction of a beach resort attendant, who was located in one of the beach huts, taking cash payments on the day throughout the school holidays further increased rentals, as it made bookings more flexible and allowed users to turn up and book on the day. Regular announcements along the promenade by Council staff promoting any vacant beach huts also helped to increase rentals further.
8. The Council has an established Policy for beach hut rentals as contained at [Appendix A](#) to this Report and it is proposed to continue with that Policy until decided otherwise by Cabinet.
9. There is a need however, to consider options for how the beach huts are managed going forward. It is imperative that everyone continues to have the opportunity to rent a beach hut at an affordable rate and that occupancy of the beach huts is maximised all year round. The Council must also cover the running cost of the beach huts and also put aside some finance to cover any necessary future repairs and refurbishment.
10. There are a number of options for the management of the beach huts going forward which are outlined below.
11. The first option would be to continue with the current beach hut policy. This would mean that users would continue to book the beach huts via the Council at the prices shown in the policy. This Option is unlikely to cover the Council's costs going forward unless rentals increase significantly.

12. The second option is to lease some or all of the beach huts either annually or for a longer period of time. This would provide the Council with a guaranteed income for the whole season however, it would restrict the number of beach huts generally available for spot hire. The price of any lease would need to cover all of the Council's costs for the beach huts and also ensure that some finance was available for future refurbishment.
13. A third option would be to amend the current beach hut Policy to allow for the purchase of weekly, monthly and annual season tickets for some of the beach huts. Like the second option above, this would have the advantage of a guaranteed income and the Council would not be picking up the costs of variables such as poor weather. However, beach huts may not be occupied as much as they would be if they were rented daily.
14. It is suggested that the three options outlined above be considered further and any decisions made be informed by user and potential user surveys which would enable officers to effectively engage with existing and potential future users of the beach huts. This would also capture suggestions on any alternative rental or lease arrangements. If any of these options were to be progressed then it is unlikely that there would be a change to the Beach Hut Policy this year as an effective consultation and engagement exercise would need to be undertaken across the summer months.
15. A fourth option which can be implemented immediately for the 2016 summer season is to include the beach huts within the coastal concessions for Barry Island. The current coastal concessions are due to expire at the end of February 2016. A local newspaper advertisement was placed on Thursday 4th February 2016 inviting separate sealed bids for the coastal concessions which include rental space on the square promenade for children's rides and attractions, as well as the hire of deck chairs and the operation of a bouncy castle. It is proposed to 'package' the beach huts with the promenade space, bouncy castle and deck chair hire concessions. This option is attractive as a third party could operate this group of concessions at a market rate. The Council would receive a fixed income per annum for the concessions and would still have control over maximum rental charges for the beach huts, as well as setting the opening hours and terms and conditions of use. The risks of bad weather or poor take up of the beach huts would need to be 'costed in' by the third party. In addition, the third party would need to manage the handover, cleaning of the huts between handovers and would also be able to actively market their availability. The operating costs of the third party should however be considerably less than the Council as the operator would already have a presence at Barry Island.
16. In light of the consideration of the options outlined above it is proposed to cancel the previously advertised concessions and to re-advertise them featuring management of the beach huts, packaged as advised. The existing concessions could be extended for up to 2 months to allow consideration of the new options.
17. Cabinet will be able to take a decision as to the best way forward for the packaged services including management of the beach huts when the concession tenders are received. If this does not offer the most cost effective arrangement then the arrangements can remain unaltered for another season (2016) pending consideration of the options set at above.

## **Resource Implications (Financial and Employment)**

18. The cost of operating the beach huts from Easter 2015 to 10th February 2016 is £8,241 with Income received for the same period for the rentals as £8026. Therefore the beach huts made a small loss of £215 during their first season of operation. The business rates for the beach huts are £5326 per annum. This is included within the running costs above. Going forward the beach huts need to recover their full costs and, if possible, provide sufficient additional income to reinvest for their long term maintenance.

## **Sustainability and Climate Change Implications**

19. The beach huts continue to enhance the visitor experience at Barry Island therefore enhancing its sustainability as a resort destination.

## **Legal Implications (to Include Human Rights Implications)**

20. It will be necessary to re-advertise the coastal concessions offer and complete a tender exercise to ensure the Council is open and transparent when appointing a future license holder for the leisure offer at the promenade as well as complying with relevant health and safety legislation.

## **Crime and Disorder Implications**

21. The beach huts have security measures installed to minimise any potential crime and disorder implications. However, unfortunately some vandalism did occur to the beach huts during the first operating season.

## **Equal Opportunities Implications (to include Welsh Language issues)**

22. There are no equal opportunities implications. Suitable access ramps to the beach are incorporated within the design of the beach huts. All beach hut advertisements and signage will comply with the latest Welsh language requirements.

## **Corporate/Service Objectives**

23. The provision of beach huts at Barry Island link with corporate objectives for the regeneration of Barry Island. They also promote opportunities for increased tourism within the area.

## **Policy Framework and Budget**

24. This report is a matter for Executive decision by Cabinet

## **Consultation (including Ward Member Consultation)**

25. Local members have not been consulted on the contents of this report as this matter is of a strategic nature.

## **Relevant Scrutiny Committee**

26. Economy and Environment

## **Background Papers**

None

**Contact Officer**

Emma Reed - Head of Visible Services and Transport

**Officers Consulted**

Strategic Estates Manager

Visible Services Accountant

Works Manager Waste Management & Cleansing

Operational Manager Regeneration and Planning

Legal Committee Reports

Operational Manager Customer Relations

**Responsible Officer:**

Miles Punter - Director of Environment and Housing Services