

Economy and Property Committee Meeting	
Meeting Date	8 July 2025
Report Title	Beach Hut Phase 1 Tender Award
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Martyn Cassell, Head of Environment and Leisure
Lead Officer	Jay Jenkins, Leisure and Technical Services Manager
Classification	Open plus Exempt Appendix
Recommendations	1. That the Committee approves the appointment of Company D for completion of Lot 1 at a sum of £223,588

1 Purpose of Report and Executive Summary

- 1.1 The Economy & Property Committee approved the contract award for Lot 1 in December 2024. Despite numerous attempts to contact the successful company the company has not responded.
- 1.2 As a result, a decision was taken to go back to tender in Feb 2025 as the previous tender process had not provided a suitable alternative.
- 1.3 This report explains the tender process and recommends the appointment of a new contractor.

2 Background

- 2.1 The Council currently has 55 beach huts either directly owned and managed by Swale Borough Council (SBC) or privately owned and sited on land under Borough Council control.
- 2.2 Minster has 29 huts privately owned and 6 are rented. Leysdown has 12 huts privately owned with 8 being rented. The Council's waiting list has recently been updated but currently still has 189 people remaining that wish to purchase or rent a beach hut.
- 2.3 The previous public consultation set out a proposal to install 12 additional huts at Minster Leas and 14 at Leysdown Coastal Park. (26 huts – Lot 1). At the July Committee meeting, Members agreed for officers to proceed with the tender process for the construction of these 26 huts.

- 2.4 The opportunity was advertised in accordance with current contract standing orders, with interested parties asked to complete an Invitation to Tender. 4 submissions were received.
- 2.5 The 4 company scores were allocated according to the criteria explained in the tender document. The Leisure team carried out a one stage tender process based on the most economically advantageous tender (MEAT) which was evaluated on 40% price and 60% quality.
- 2.6 The scores were as follows:

Lot 1. (26 huts)

Company	Price Score	Quality Score	Total
A	9.06	51.00	60.06
B	22.48	41.00	63.48
C	17.35	48.00	65.35
D	18.78	47.00	65.78

- 2.6 The Lot 1 winning tender exceeds the agreed budget by £20,868. the additional costs will be contained within the budget framework.
- 2.7 Since undertaking the original estimates for the project that formed the capital bid, prices have increased in the construction cost per hut. However, in the same period, the market value for the sale of huts has also increased and so the project plan has been adjusted.
- 2.8 The project would see a percentage of the huts sold and some retained for annual and weekly rentals in line with the Beach Hut Policy, previously agreed at this committee. There will also be one hut at each location for the subsidised use (recommended in the Beach Hut Policy) by the voluntary and community sector via an anchor organisation who will take responsibility for the hut and usage. This approach would still deliver the original project aims, recouping the capital spend through sales and adding further capital receipts to the Council's capital programme.

3 Proposals

- 3.1 That the Committee approves the appointment of Company D for Lot 1 for a sum of £223,588

4 Alternative Options Considered and Rejected

- 4.1 To not proceed with the award of contract. This is not recommended because it removes the opportunity to generate the capital receipts and ongoing revenue that would be achieved and would not provide the recommended facilities and associated benefits for residents and visitors.

5 Consultation Undertaken or Proposed

- 5.1 The Beach Hut Policy which was approved by the Regeneration and Property Committee on 12 March 2024 included public consultation, but no further consultation has been needed for the tender process.

6 Implications

Issue	Implications
Corporate Plan	<p>The policy relates to two priorities.</p> <p>Community: To enable our residents to live, work and enjoy their leisure time safely in our borough and to support community resilience.</p> <p>Economy: Working with our businesses and community organisations to work towards a sustainable economy which delivers for local people.</p>
Financial, Resource and Property	<p>The current 2025-26 revenue budget assumes increased income from beach hut rental. This will need to be reduced as part of the budget setting process as it assumed phase 2 would also progress. However, building these phase 1 huts will reduce the amount lost in revenue.</p> <p>Funding of £203,000 is already allocated in the capital programme The additional sum of £20,868 will be contained within the budget framework. Projected Capital Receipts return can be seen in Appendix I.</p> <p>The project business plan and Beach Hut Policy set out the percentage of huts that will be sold and rented, ensuring there is a balance of availability and income.</p>
Legal, Statutory and Procurement	<p>Beach huts are a discretionary service and therefore fall under the Local Govt Miscellaneous Act where Councils are able to levy fees.</p> <p>The beach huts have been confirmed as under permitted development due to their size and nature.</p>

	<p>The contract will be drawn up using the Council's current standard Terms and Conditions (JTB Contract) which have been approved by Mid Kent Legal Services and Finance</p>
<p>Crime and Disorder</p>	<p>The Beach Hut Policy has a section relating to security and anti-social behaviour. We are confident our policies and terms and conditions allow us to control behaviour at the huts.</p> <p>Due to the remote location of the huts, they will always be susceptible to vandalism and theft. Our terms and conditions encourage owners and renters to secure their asset robustly and to not leave items of value in overnight.</p>
<p>Environment and Climate/Ecological Emergency</p>	<p>The huts are made from sustainable wood sources as detailed in the specification for construction. They do not require mains utilities and we often find owners/renters use sustainable power sources such as solar panels to assist them.</p> <p>The locations of the huts are considered carefully to ensure they do not have a detrimental impact to the environment. Relevant surveys (Preliminary Ecological Appraisal) have been undertaken in both areas and have concluded that there would be minimal impact in either location.</p> <p>In addition, a Flood Risk Activity Permit Application (FRAPA) has been submitted to the Environmental Agency for the Minster Leas Location.</p>
<p>Health and Wellbeing</p>	<p>As detailed in the Corporate Plan we encourage active recreation and beach huts encourage users to enjoy the coastal environment.</p>
<p>Safeguarding of Children, Young People and Vulnerable Adults</p>	<p>There are no safeguarding concerns considered in relation to the contract award.</p>
<p>Risk Management and Health and Safety</p>	<p>The licence requires all owners and the Council (in relation to rental huts) to maintain the asset to a good standard. This reduces the risk of injury. Furthermore, there are strict rules on what can and can't be done in or stored in the huts to reduce fire risks.</p> <p>Part of the procurement process ensures that contractors are fully competent, particularly in the area of health and safety. Company B's competence is evidenced through their tender submission.</p>
<p>Equality and Diversity</p>	<p>The current hut design means steps are required for access. The policy however sets out how the Council will consider adaptations</p>

	<p>in order to provide for disabled access should the interested party request it.</p> <p>The pricing structure has been revised recently to provide more accessible weekly rents for those that cannot afford to purchase or annually rent the hut.</p>
Privacy and Data Protection	The waiting lists and licences are held in accordance with data protection principles.

7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Exempt Appendix I – Beach hut financial projections – October 2024

8 Background Papers

P&R\Draft Minutes P&R (16.10.24).doc