



Meeting: Council

Date: 18th July 2013

Wards Affected: Wellswood

Report Title: Meadfoot Beach Chalets Development

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1. Purpose and Introduction

- 1.1 Chalet provision at Meadfoot is an all year round provision however the latest condition surveys show the need for urgent and extensive repairs with some chalets recommended for demolition. The condition of these assets and the affect this has on income generation and customer satisfaction is negative and it will soon be that they are not generating enough income to match the expenditure. There is a capacity within the existing beach managers building and stores to also create chalets or alternative enterprises for income generation. The proposal would increase the number of rentable units from 69 to 133.

2. Proposed Decision

- 2.1 That it is approved, subject to planning approval, to replace the existing beach chalets at Meadfoot Beach with new purpose built facilities identified in Option 1.
- 2.2 That the Council makes available £1.55million in prudential borrowing to allow the redevelopment of the Meadfoot Beach Chalets which will be repaid over 25 years from income as identified in the Business Plan in **Appendix 2**.
- 2.3 That a planning application is submitted for the redevelopment of Meadfoot Beach Chalets.
- 2.4 Subject to Planning the project to redevelop the chalets at Meadfoot commences in the Winter of 2013 unless the works cannot be completed by Summer 2014 in which case the project will be delayed until Winter 2014.

2.5 Other Considerations

A geological survey has been carried out as part of the feasibility of this scheme and the results have recommended certain works to be carried to stabilise the cliff. The results have given some concern on the stability of 2 areas with some larger rocks requiring rock netting and a rock catcher fence being installed at the bottom of the cliff

face for its whole length as shown in **Appendix 1**. These works would be required whether this proposal is agreed or not.

Other proposals for this development would be the replacement of the promenade railings and refurbishment of the infrastructure including steps. The works would enhance the area and increase public satisfaction with facilities available at Meadfoot.

The business plan (**Appendix 2**) gives various management options if this proposal is agreed; the plan highlights the financial benefits of the various management options. The proposal if undertaken will provide an opportunity to continue the scheme at a later date for the full development of the remainder of the site.

2.6 Reason for Decision

- The present huts and chalets are reaching the end of their useful life.
- There is a considerable amount of repair work required under planned maintenance.
- The present income level cannot be maintained as units are taken out of use as they become unsafe or un-rentable.
- There will be a significant rise in public dissatisfaction as this area would look to be neglected.
- The decision needs to be made now to enable work to commence over the winter period to be complete by spring to minimise income loss.
- The loss of footfall as a result of taking units out of use would have a negative effect on local business.
- Increased numbers of huts and chalets would increase footfall for business and also for car parks.

2.7 Impacts

Positive impacts

- The proposal would result in the betterment of the local area.
- Increasing the number of units available for rent, so reducing the waiting lists.
- Increasing the offer by including chalets of varying sizes.
- Including electricity to all beach chalets and providing some facilities within the chalet.
- Increasing the visitor numbers and making it a destination area that helps the local businesses and may encourage other water based activities to be undertaken.
- Replacement and repair of the infrastructure at the promenade so enhancing the area
- Carrying out work to secure the cliff face from possible rock falls and provision of rock catcher fencing to minimise problems caused to the café.
- Reduction of the long waiting list for Meadfoot beach chalets

Negative Impacts

- Possible increase in traffic flow

- Decrease in available car parking caused by increase in the number of tenants
- Increased borrowing linked to income repayments
- Customer complaints due to higher prices. The annual charge will increase from £610 per year to £1300 per year for lower chalets and from £1,230 per year to £2,100 per year for roof chalets. However, there will be a discount of 30% for the first year 20% for the second year and 10% for the third year for existing customers. Members should be aware the new chalets at Broadsands are rented at £1,500 per year and have a 100% take up.

3 Supporting Information

Position

- 3.1 The beach hut provision by Residents and Visitor Services is an important part of the service delivery, while the rental received contributes a major part of the service budget. The main customers of the service are local residents and as such the beach hut and chalet provision plays a significant part in increasing public satisfaction. The viability of the seafront recreation, leisure and local businesses is enhanced by the custom generated from the beach hut users. It is therefore important that Torbay Council continue to provide top quality facilities to meet the needs of all.
- 3.2 Condition Surveys have been carried out on Meadfoot Beach Chalets; the findings have indicated that the units are now beyond economic repair. There are several chalets that can no longer be hired out because of the structural condition. Residents and Visitor Services currently manage 69 chalets, these consist of 23 concrete units and 46 timber built chalets at ground level. The proposals are to demolish all of the existing chalets and replace with 133 concrete pod units that can be configured over 2 levels. The pods can be readily constructed into varying size units this will increase the options on offer to customers. The scheme will enable the council to provide facilities to meet the customer requirements and provide the first phase to redevelop Meadfoot Beach area. The option of using concrete pods means that it decreases the build time on site, they are easily configured for various sizes required by possible future use and future maintenance costs are greatly reduced.
- 3.3 The chalets and huts at Meadfoot have been surveyed and are deemed to be beyond economic repair, there is an opportunity to replace the existing 50 year old units with more modern facilities. The wooden chalets have been repaired many times as required in the past years and have now deteriorated to such an extent that several are being closed for rental because of the structural condition; this situation will only get worse. To the rear of the units the loose material of the cliff face is continuing to slip down the cliff and is deposited against the chalet structure this exacerbates the deterioration of unit.
- 3.4 Meadfoot has a substantial waiting list for Beach chalets and there is a current 100% occupancy; this development will enable the Council to increase the number of units thus increasing footfall and providing a further potential to improve the café and toilet provision in a second phase.

3.5 The present condition of the wooden huts is such that a number were condemned in 2011 and required substantial work to make them rentable. Further huts and chalets will be in the similar poor state each season. A report on the condition is included in **Appendix 3**.

4. **Possibilities and Options**

There are several options that could be undertaken, only option1 would give a regular future income as well as minimising the costs of future maintenance of the site. It would enhance the area and provide facilities that the Council know the customer requires.

4.1 **Option1:** To demolish all existing chalets as well as the concrete store rooms and beach managers office. The proposed scheme would be for the building of new concrete built chalets from prefabricated panels with the upper tier having private balconies. All units would have an electricity supply although it is not proposed at this time to supply water to each unit. The chalets would be available for whole year use. The proposal to have the units prefabricated is to deliver the whole project over the closed season with as little disruption as possible. The cost implications are outlined in the business plan in **Appendix 2**.

Option 2: To include for the demolition of existing units but replace with normal beach huts, this would not allow for a two tier system but would allow an increase in number of beach huts. This would not necessarily increase income generated but would reduce the customer offer for this prime location. The scheme would increase customer dissatisfaction levels and would possibly inhibit the length of the season by reducing the winter letting availability.

Option 3: Would be to demolish the existing units as they become unusable and rent out the available space for a ground rent, for customers to site their own units. This option would greatly reduce the future maintenance costs and minimise the need for any capital contribution. The option would also reduce management requirements and greatly reduce customer satisfaction. It would reduce income generation capabilities as this would only be a 1 tier system and would not encourage residents or visitors to that area. The cost implications are outlined in the business plan in **Appendix 2**.

Option 4: To do nothing and carry on with ad hoc repairs as the units require, minor maintenance at present is carried out by Beach staff however the staff numbers have now been reduced so it is doubtful whether that capability is still there. Patch maintenance would still be undertaken using contractors but this could be costly and the council will still face the requirement to demolish within the next few years. The structural issues around the present beach chalets restrict the ability to obtain a realistic market rent for the units with tenants not willing to pay the amount for a substandard structure with no facilities. The cost implications are outlined in the business plan in **Appendix 2**.

5. **Fair Decision Making**

- 5.1 Consultation has been carried out with users, local businesses, Community partnerships and various departments within Torbay Council. The project has also been considered and received support from the Place Policy Development Group.
- 5.2 The customers including the people presently on the waiting lists and the local businesses affected by the decision the development have been consulted. There will be an increase in seasonal, weekly and day let rental options enabling customers renting on a daily basis to become seasonal customers. The proposal has been designed to ensure that all groups will benefit from improved facilities. The project will develop increased winter footfall spreading economic activity over the shoulder months and increase trade for existing businesses and the potential for further economic development.
- 5.3 The proposals have been presented to Wellswood Community Partnership and from the feedback they see this development as a major step forward in enhancing the opportunities at Meadfoot Beach.
- 5.4 Officers have consulted with the relevant departments within the council including planning, engineers, property services, legal and finance and include the TDA. The only comments received were concerns regarding the demolition and ensuring that this did not happen until the whole scheme was in place in order to safeguard the continuation of the Beach Hut offer. The completed scheme was seen as a major boost to the reputation of Torbay Council and a welcomed opportunity to increase the offer of the Leisure service whilst generating more income for Torbay Council whilst reducing maintenance liabilities.

6. Public Services (Social Value) Act 2012

- 6.1 The following issues will be considered as part of the procurement process:-

Pre-procurement: Commissioners and procurement officers should consider the subject matter of the contract and identify any non-commercial considerations which are relevant linked to the subject matter of the contract

Contract terms: by the incorporation of social and environmental requirements into the contract terms including any “special “ conditions. However, consider any cost associated with including such terms and whether essential and affordable.

Selection stage: consider whether you can build these considerations in as mandatory requirements or scoreable questions. Ensure that these are compliant with the Regulations around ‘selection’

Award stage: social and environmental issues may be included within the award criteria of most economically advantageous tender provided linked to the subject matter of the contract and expressly referred to in the OJEU contract notice and/or the tender documents. Consider how such issues will be evaluated and any applicable weightings.

Post award: what is expected from suppliers in delivering the contract? How will contract managers monitor any non-contractual obligations and derive any benefits

and how will you build this in to the performance management section of the Specification?

7. Consultation

Consultation has been carried out with Ward Councillors, Beach Hut User Group (BHUGS), Meadfoot Beach huts users, and the Wellswood area Community Partnership. Talks have also been held with the two local businesses

7.1 Questions asked at BHUG committee:

- Would you be interested in renting all year
 - Would be willing to pay more for a larger hut with some utilities?
- The majority responded positively.

7.2 Consultation with users at Meadfoot

Officers received a positive response to the idea of the development, people contacted were definitely interested, as there is a long waiting list, a number of users were expecting to eventually take over a hut or chalet. When asked would you be interested in renting all year and be willing to pay more for a larger hut with some utilities?
The majority responded positively.

7.3 Questions from BHUGs annual meeting

Beach hut users said “we have heard you are going to rebuild some or all of Meadfoot chalets, we are interested in it, when are you going to do it?”

7.4 Community Partnership

The proposal with artist impressions were presented to Wellswood Community Partnership all were in favour but required more information on how the project would be managed. They felt it was highly important that the project was started and completed in the off season, the group voiced concerns that we don't demolish the existing facilities without providing replacements immediately.

7.5 Local Businesses

The two local businesses, café and the dive shop have been consulted on the proposals and are happy that the scheme is undertaken with some thought being given to a phase 2 which would develop the remaining area.

8 Risks

8.1 If the scheme is not implemented; the condition of these facilities will continue to deteriorate, they will in turn be in such poor condition that they cannot be rented. The condition may make it difficult to rent even the useable chalets as they would be less attractive for the customer. At best the Council would not realise the rentable value that could be obtained if new huts were in place. Public dissatisfaction would increase and the Meadfoot beach area would be less well used this having some impact to the two local businesses.

8.2 There is a risk if doing nothing as the structures are in such poor condition they could cause injury and would certainly be a risk to the council leisure and tourism offer. The café would be affected if there is a drop in visitor numbers as a result of customer dissatisfaction.

8.3 There is a risk of not completing the preparatory work and each step of the development, to ensure that the council are confident that all of the work can be completed in the given time scale.

Decisions are not taken in time to plan works if the condition of the units deteriorates quickly, possibly as a result of storms and bad weather.

Meadfoot Sea Wall requires work to be carried out below the site of the beach chalets but this problem would need to be resolved whatever option is developed.

The remaining infrastructure requires replacement and repair and this would need to be carried out at the same time.

The land behind the chalets at present is prone to slipping and stabilising or netting work would be required, this slippage could cause further problems if it occurs before development takes place.

Appendices

Appendix 1 Geotechnical report and recommendations

Appendix 2 Business plan

Appendix 3 Costing Options

Appendix 4 Report from property services on Condition of Chalets

Appendix 5 Photographs of units

Appendix 7 Outline proposals

Appendix 7 Equality Impact Assessment

Additional Information