

## Beach Hut Management Options

Running Costs (leased and weekly)		2024/25 Budget				INCOME	
Budget	2022/24	Comments					
Staff salaries and other expenses	£ 12,004.35	Across both types	Staff salaries and other expenses	£12,004.00	Leased sites	214,704.55	
Repairs and maintenance	£ 7,076.01	All Weekly and chalet leases	Rep & Maint (Reactive)	£11,989.00	Weekly lets	47,179.95	
Business rates	£ 9,972.04	All weekly	R & M Plant - Service Contract	£0.00	<b>Total</b>	<b>261,884.50</b>	
Electric	£ 2,430.10	All Weekly and chalet leases	R & M Grounds - General	£3,300.00			
Insurance	£ 7,155.15	Across both types	Business Rates	£9,715.00			
Other Services Recharge		Both Weekly and leased. Would be spread other budgets unless reduction in headcount	Electricity	£2,184.00			
Beach hut removal	£ 14,127.50	All weekly and leased plots, mundesley only	Prem Insurance - Fire/General	£8,570.00			
<b>Total</b>	<b>£ 52,765.15</b>		Equipment Purchases	£3,000.00			
			Mats Purchases - Consumables	£0.00			
			Other Professional Fees	£13,000.00			
			Marketing - General	£2,000.00			
			Health & Safety	£700.00			
			<b>Total</b>	<b>£66,462.00</b>			

  

Beach Huts.com	Cost based on 23/24 income £	Cost comments	Weekly Let Income £	Income comments	Savings General	Savings Comments	Benefits	Disadvantages	Comments
Option 1 - Huts/Chalets listed directly on website	£3,774.00 plus process fee of £707.00 Total of £4,481	Was 12.5% discount if all 33 units to 8% of booking income plus 1.5% process fee if payment taken at point of booking. All other costs to remain	£47,179.95	*Assumed weekly let income is the same as it is not known what additional income if any could be generated through this system.	£0.00	All costs remain	* Might secure bookings from hirers considering other areas listed. 10 others listed in Norfolk. * NNDC resources needs reduced to manage NNDC Booking, but Estates resources still need to update pricing, monitor bookings. *High up on Google search *Dedicated site could for beach hut bookings drive more income *Less admin: it reduces the number of telephone and email enquiries you have to respond to as Beach huts.com answers customer enquires via the 'Any Questions?' link. *Beach hut.com deal with cancellations and amendments with email update on changes	*No budget savings generated *Previous advertising budgets £2k could be re allocated towards this an further £3,000 required (including contingency) to fund. *Doesn't resolve change over challenges for short term/notice hires	If weekly lets are to be retained, it is recommended to take this option forward. Whilst the cost is higher than a white label option. The Council may secure more bookings by advertising with a specialist beach hut booking website. If after 1-2 years it is not proving successful a white label option could be taken forward.
Option 2 - White label - Use Beach Hut.com booking system on NNDC website	£2,358.00 plus process fee of £707.00 Total of £3,065	5% of booking income booked through white label website plus 1.5 % process fee for payments taken All other costs to remain	£47,179.95	*Assumed weekly let income is the same as it is not known what additional income if any could be generated through this system.	£0.00	All costs remain	*Replaces current unsupported booking system with a supported system * Availability and prices are synchronised between white label and beachhut.com websites *No set up fees	* Payment monthly in arrears. Currently hirers pay in advance *Previous advertising budgets £2k could be re allocated towards this an further £1,500 required (including contingency) to fund. *Doesn't resolve change over challenges for short term/notice hires *Doesn't drive any additional bookings to the Councils website.	Option 1 preferred if weekly lets are to be retained. - due to wider exposure to potential customers

  

Beach Huts 4 Hire .com	Cost based on 23/24 income £	Cost comments	Income £	Income comments	Savings General	Savings Comments	Benefits	Disadvantages	Comments
Option - List on Beachhuts4hire.com	£4,290.00	£50 set up fee £50 - £120 per year per hut depending on level of promotion on their website. All other costs to remain	£47,179.95	*Assumed weekly let income is the same as it is not known what additional income if any could be generated through this system.	£0.00	All costs remain	* High on google search *Once set up fees will reduce to be the annual fee.	*3 other huts available in Norfolk, which might limit bookings. * Estates resource required still to manage advertising, customer queries *Doesn't resolve change over challenges for short term/notice hires * No booking system, therefore manual booking required or additional booking system needed to manage enquires	Alternative website but has not booking system, which would be needed or dealt with manually.

  

Happy Huts	Cost based on 23/24 income £	Cost comments	Income £	Income comments	Savings General	Savings Comments	Benefits	Disadvantages	Comments
Wells next the Sea only	N/A	N/A	N/A	N/A	N/A	All costs remain	N/A	N/A	Discounted as they do not currently manage beach huts outside of Wells

  

Airbnb	Cost based on 23/24 income £	Cost comments	Income £	Income comments	Savings General	Savings Comments	Benefits	Disadvantages	Comments
International online booking system for mainly for overnight accommodation but does have some beach huts. The website also includes booking options for experiences, however these are fairly limited in Norfolk.	£1,415.00	3% of booking fee All other costs to remain	£47,179.95	*Assumed weekly let income is the same as it is not known what additional income if any could be generated through this system.	£0.00	All costs remain	*Well known booking accommodation system *Low costs to use *Includes some other beach huts to hire *Current advertising budget would cover this cost	*Hirer pays addition 14% which may reduce demand or price to be adjusted to reflect this * Might cause confusion around being able to stay over as Airbnb is predominantly property accommodation *Requires active management 24/7, which NNDC is not able to resource. This is needed to ensure superhost status linking to algorithms, pushing the asset towards the top of the list meaning more chance of a booking *Poor feedback is displayed which could limit future bookings * NNDC assets are not photogenic which could limit demand *Doesn't resolve change over challenges for short term/notice hires	Discounted. Low cost booking system that is well known but focused on accommodation, which could limit number of customers. Would require resources to actively manage to optimise results.

  

Convert Weekly Lets to Leased sites	Cost based on 23/24 income £	Cost comments	Income £	Income comments	Savings General	Savings Comments	Benefits	Disadvantages	Comments
Up to 33 weekly let are made available for 5 year leases	£0.00	Estates and Eastlaw resource to manage letting	#REF!	*Income estimated based on 24/25 rents. *Reduction income	£11,715.00		*Business Rates become payable by the tenant. *Saving on advertising *Overall effect is a £5,330 loss per year. *Pre agreed rental income in generated *Marginally reduces waiting list *Some savings created *No further investment into weekly let furniture * Electric charge would be recovered with increased rent for relevant units *Unsupported bookings system closes (if leisure team find alternative booking process)	*Rental income is lower that weekly lets *Results in a reduction of income * No resources savings *Overall budget saving is low *Anticipate complaints from regular weekly booking customers due to loss of facilities	High number of customers on waiting list which would take leases, however whilst some small savings are made it would result in less overall income that then current position.

  

Lease weekly lets on commercial lease with option to sub let	Cost based on 23/24 income £	Cost comments	Income £	Income comments	Savings General	Savings Comments	Benefits	Disadvantages	Comments
Up to 33 weekly let are made available for 5 year leases either as 1 lot or broken into small groups or individual lots. Local businesses, hotels or holiday lets are possible tenants.	£1,000	Advertising and Estates and Eastlaw resources to manage letting	Unknown	Advertising on the open market seeking bids would establish the potential income	£11,715.00		*Business Rates, become payable by the tenant *Some repairs/maintenance, electric, insurance paid by new tenant. NNDC still liable for remaining leased sites. *Pre agreed rental income in generated *Marginally reduces waiting list *Some savings created *No further investment into weekly let furniture * Electric charge would be recovered with increased rent for relevant units *Unsupported bookings system closes (if leisure team find alternative booking process) *Units likely still to be available for hire *Provides opportunities for local businesses/possible job creation	*Requires Estates and Eastlaw resources to manage tenants	Would require advertising to establish the demand, would make some savings but assume overall income would reduce as tenant requires some margin.

  

Lease weekly lets and annual ground leases on commercial lease with option to sub let	Cost based on 23/24 income £	Cost comments	Income £	Income comments	Savings General	Savings Comments	Benefits	Disadvantages	Comments
33 weekly lets and 389 ground leases offered to let as a commercial letting as 1 lot or broken into smaller groups. Local businesses, holiday let companies, property investment companies are possible tenants.	£1,000	Advertising and Estates and Eastlaw resources to find tenants and complete lease. Ongoing Estates resources to manage tenant.	Unknown	Advertising on the open market seeking bids would establish the potential income	£66,462.00		*All costs become payable by the tenant *No saving on recharges as allocated to other budgets unless reduction in headcount * Unsupported booking system no longer required * Smaller number of tenants to manage *Creates highest saving	*Possible complaints/concerns from current tenants regarding change of management. *Potential for less income on assumption new tenant needs to create a financial margin,	Would make the highest savings, however there is the potential for less income which would be established following marketing of the opportunity. If not viable at that point the Council could consider an alternative option. Would require less resource to manage which could create some savings or could be allocated to other work.

  

Sell physical assets on long leasehold and charge annual rent.	Cost based on 23/24 income £	Cost comments	Income £	Income comments	Savings General	Savings Comments	Benefits	Disadvantages	Comments
17 weekly let beach huts and 16 weekly let Chalets, followed by the remaining 77 chalets sold either to the existing tenant or when they become vacant, due to lease implications. Proposal could be made to existing tenants, however take up may be limited depending on purchase price.	£1,000.00	Advertising and Estates and Eastlaw resources to find tenants and complete lease. Ongoing Estates resources to manage tenant. Service charge revenue budget needed with costs recharged to tenants	Unknown	Capital income generation alongside annual rent	Savings would be gradually realised over the delivery period	Any savings would be	* Unsupported booking system no longer required * Minor repairs dealt with by tenants *Would generate capital receipts.	*Likely to need to operate a service charge for repairs/maintenance, which requires resource *would take years to fully complete due to low turn over * Resource still required to manage R & M to buildings, service change, rent reviews and queries from 422 tenants. *Reduction in revenue income.	Would complex and time consuming to deliver due to phased approach. Whilst small amounts of capital might be generated through disposal this is expected to results in less income as loss of weekly lets income.

  

Trading Company	Cost based on 23/24 income £	Cost comments	Income £	Income comments	Savings General	Savings Comments	Benefits	Disadvantages	Comments
The Peer Review recommended the Council consider a trading company to manage the Beach huts and chalets									Not supported due to complexity of operating such a company outweighing the benefits. Awaiting more detailed feedback.