

CABINET



Report subject	Super Hut Development, Fisherman's Walk
Meeting date	20 December 2019
Status	Public Report
Executive summary	<p>This report seeks approval for a low-risk invest to save development of super huts on the seafront at Fisherman's Walk, Bournemouth, designed to generate a net capital receipt after all scheme costs of c.£280k to the Council from a capital investment of £454k. The project follows a well-established model of development from 6 previously successful similar schemes since 2005.</p> <p>The project would see the Council build 15 super huts by Easter 2021. The huts would be sold on a first come first served basis with a full repair and maintenance lease for 25 years. At the end of the period, the sites would revert back to the Council. The attached report models projected capital and revenue returns based on a prudent sensitivity analysis of previously schemes and a higher than actual cost of borrowing. It also models a worse case option whereby the super huts do not sell and are retained in house for casual rental.</p> <p>Scheme costs include the relocation of existing beach huts to adjacent sites. Engagement with any existing hut tenants likely to be affected would take place prior to the scheme coming forward for planning consideration.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) Cabinet approve delivery of the scheme, subject to securing planning consents, and the sale of the super huts on 25 year leases; and</p> <p>(b) Cabinet delegate to the Service Director the setting of the final sales price which will be subject to market review closer to the time (Easter 2021)</p>
Reason for recommendations	To maximise efficient use of Council assets, generating substantial new capital return whilst maintaining and improving ongoing revenue from existing beach huts.

Portfolio Holder(s):	Councillor Lewis Allison (Portfolio Holder for Tourism, Leisure & Communities)
Corporate Director	Bill Cotton, Regeneration & Economy
Contributors	Chris Saunders (Acting Service Director, Destination & Culture), Andrew Emery (Resort Development Manager, Destination & Culture), Shirley Haider (Management Accountant)
Wards	Boscombe East and Pokesdown
Classification	For Decision

Further details and the report implications are set out within the attached Business Case Report at Appendix 1.

Appendices

Appendix 1 - Fisherman's Walk Business Case FINAL

Appendix 2 - Fisherman's Walk Financial Assessment

Appendix 3 - Fisherman's Walk EINA

Appendix 4 - Fisherman's Walk Risk Register