

## **MILFORD-ON-SEA BEACH HUT REPLACEMENT SCHEME**

### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to inform Cabinet of the outcome of the tender submission evaluations and to recommend that further financial provision be made for the delivery of this scheme.

### **2. BACKGROUND**

- 2.1 Cabinet at its meeting of 6 August 2014 approved a budget of £1,259,070 to replace 119 Beach Huts at Milford-on-Sea. Following the appointment of an external design team the Council undertook a consultation exercise to identify a preferred option for the design of the replacement huts. On August 16 2015 over 600 people attended an event at Milford-on-Sea Community Centre to view and comment (through a survey) on the options that that were identified.
- 2.2 Following the 16 August meeting the Project Board considered the results of the survey to identify the preferred option to be taken forward to the final design. This option was the one with a fully integrated scheme that incorporated an inhabited roof, allowing uninterrupted views across to the Isle of Wight along with improved access for all users of the area.
- 2.3 Following the completion of the design of the preferred scheme adverts for suitably interested construction contractors were placed through Contracts Finder and the Southeast Business Portal (SEBP) on 28 January 2016. Contractors were required to submit completed pre-qualification questionnaires by 19 February 2016.
- 2.4 Of the seven pre-qualification questionnaires submitted four contractors passed the evaluation process and were invited to tender for the construction contract.
- 2.5 Four completed tenders were returned by the deadline, along with the requested quality information to enable tender evaluation to be undertaken.
- 2.6 Legal advice taken by the Council has confirmed that the Council has an obligation to allow the licence holders of each of the huts to have a hut on this site. Should the council decide not to allow the huts to be rebuilt the hut licence holders would have a claim against the council.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The Cabinet report of 6 August 2014 sets out in full detail the approved budget.

The approved budget can be broken down as:

**Promenade Works**

Demolition of existing beach huts and lower promenade slab replacement £375,000

**Beach Hut Rebuild**

Including reinforced concrete structure, fees and contingency £884,070

**Total Budget**

**£1,259,070**

- 3.2 Since the approval of the budget and authorisation to proceed with the project a significant amount of work has been undertaken. This includes the demolition of the existing beach huts, procurement and appointment of the design team along with the design of the scheme through to tender stage.

Costs incurred or committed are detailed below:

Demolition & Promenade Slab £129,160

Beach Hut Design & Construction £169,591

**Total Costs to Date**

**£298,751**

**Net Budget Remaining**

**£960,319**

- 3.3 Based on the submitted tender costs the estimated value of the works for beach hut construction only is now £1,028,072. Allowing for a 10% contingency this equates to £1,130,879 and results in a budget shortfall of £170,560.

Remaining Budget (£1,259,070 – £298,751) £960,319

Beach hut construction £1,130,879

**Budget shortfall**

**£170,560**

- 3.4 The public consultation and engagement exercise detailed in section 2 resulted in a number of key considerations being incorporated into the design that had not been envisaged at the initial project development stage, such as:-

- Introduction of an integrated design which allowed for an inhabited roof by bringing the upper promenade onto the beach hut roofs, broadening wider public use.
- Optimising the size and number of beach hut terraces to enable the removal of huts from the eastern lower promenade
- Greatly improved access to the upper and lower promenades through ramps and steps for all users of the area.
- Widening of the lower promenade to reduce “conflict” between hut owners and pedestrians
- Increased balustrading of high quality materials
- Incorporation of design detail into the huts following detailed engagement with the beach hut owners’ technical group

- 3.5 These significant enhancements to the sea front at Milford-on-Sea will deliver both environmental enhancements and enable increased public use which can only be

achieved in this window of opportunity while addressing the issue of beach hut replacement.

- 3.6 Based on the submitted tender costs the value of the additional works to deliver these enhancements equates to £846,610. Allowing for a 10% contingency this equates to £931,271 for which additional budget provision is now required.
- 3.7 A sum of £70,000 from previously planned existing coastal step replacement budgets has been identified to offset the cost of the additional access improvement included in the scheme.
- 3.8 The total net additional budget therefore required for these enhancements is £861,271.

#### **4. SEA DEFENCES**

- 4.1 The scheme allows for the replacement of the lower promenade slab to ensure the integrity of the slab foundation to the new huts and to improve sea defences. The enhanced scheme also removes the rear promenade sea wall and incorporates that as part of the hut design, taking the opportunity to address the slab and rear promenade sea wall as part of the enhanced project.

#### **5. SUMMARY**

- 5.1 In order to deliver this preferred fully integrated project four tenderers have submitted tenders that meet the requirements of the consultation.
- 5.2 The public consultation identified that significant improvements could be made through this scheme by greater public access, particularly to improved views across Christchurch Bay by the incorporation of the inhabited roof enabling unrestricted views. This was the solution following the consultation, the extra associated costs were not known at the time as this is a unique project.
- 5.3 It is evident from the tenders returned that to enable delivery for the start of the 2017 summer that construction works are going to be required to take place during the winter period. This will carry an element of risk as work on site will need to be carried out over the winter months.
- 5.4 As a response to the public consultation and engagement this project has needed to change from that originally envisaged back in the summer of 2014. However, what it does deliver is a significant improvement to public space as this fully integrated preferred scheme includes improved access, views, robustness and overall look of the frontage.
- 5.5 All four tender prices are above the approved budget and also have extended construction programmes that have delivery of the scheme beyond the summer of 2016.
- 5.6 The Project Board and Parish Council were keen to ensure that this opportunity to improve the appearance of Milford sea front was not missed and that it would enable the area to be improved as a tourist destination.

## **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 The improved scheme will significantly improve the environment at Milford on Sea and will contribute towards improving the sea defences.

## **7. CRIME AND DISORDER IMPLICATIONS**

- 7.1 None

## **8. EQUALITY AND DIVERSITY IMPLICATIONS**

- 8.1 The current scheme as designed and tendered provides significant access improvements to the upper and lower promenades for those with restricted mobility and with young children.

- 8.2 These improved access features should be retained within this scheme.

## **9. PORTFOLIO HOLDER'S COMMENTS**

- 9.1 Although the delay in completing this project is disappointing it is important to take advantage of this once in a generation opportunity to achieve enhancements for the benefit of the community and the economy. I therefore support this recommendation.

## **10. RECOMMENDATIONS**

That Cabinet recommend to Council that;

- 10.1 To enable the contract to be awarded to the most advantageous contractor the following two supplementary capital budgets need to be approved together to achieve the integrated scheme as approved following the public consultation exercise:

- a) Original hut replacement scheme - £170,560; and
- b) Public and environmental enhancements, following public consultation - £861,271 (allowing for the offsetting revenue contribution of £70,000 to the scheme)

- 10.2 That approval is given to the Executive Head of Operations to award the contract for the construction of 119 beach huts and associated environmental improvements to the most economically advantageous contractor following the recent tender exercise. .

### **For further information contact:**

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### **Background Papers:**

Cabinet Report of 6 August 2014