

<b>Subject:</b>	<b>Beach Huts Licence</b>		
<b>Date of Meeting:</b>	<b>17<sup>th</sup> January 2019</b>		
<b>Report of:</b>	<b>Executive Director, Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>			
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<b>Ward(s) affected:</b>	<b>Brunswick &amp; Adelaide; Central Hove; Westbourne; Wish.</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 At the January 2018 meeting of the Tourism, Development & Culture Committee a report on Fees and Charges for Sport & Leisure, Venues and Libraries was considered. That report included proposals to increase the beach hut licence fee and beach hut transfer fee which were approved.
- 1.2 Subsequently it was identified that the terms and conditions of the beach hut licence did not enable such an increase of the transfer fee (called the administration charge in the existing terms) to be implemented under the current licence terms. A report was considered by the committee in June 2018 seeking approval for revised terms and conditions for the beach hut licence to modernise the terms and conditions.
- 1.3 The report was deferred to the September 2018 meeting of the committee when it was agreed that consultation with beach hut owners on the proposed modernised beach hut licence should take place. The committee would then consider implementation of the new beach hut licence subject to the consultation response at a future meeting. This report provides the outcome of that consultation with the recommendation to retain the existing licence.
- 1.4 The increase in the annual licence fee for beach huts for 2018/19 which was agreed by committee in January 2018 was not implemented. This was due to the appropriate notice not being given to beach hut owners. Therefore, it is proposed that this increase is implemented for the financial year 2019/20 instead as part of the annual review of fees and charges.

## 2. RECOMMENDATIONS:

- 2.1 That the committee notes the outcome of the consultation with beach hut owners on the proposed modernised beach hut licence.
- 2.2 That the committee agrees to retain the existing beach hut licence and not introduce a new licence at this stage.
- 2.3 That the committee agrees the increase in the annual licence fee for beach huts for 2019/20 as outlined in paragraph 3.6.

## 3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 There are 459 wooden beach huts on Hove seafront that are privately owned by Brighton & Hove residents. In addition, the council rents beach chalets which are available in blocks located in Hove, Madeira Drive and Rottingdean.

### Beach Hut Licence Consultation

- 3.2 The existing beach hut licence and terms & conditions had the potential to be modernised in order to provide better clarity across a range of areas. A review had been undertaken with Legal Services of the existing licence and terms & conditions.
- 3.3 Following committee approval for the consultation exercise, a letter was issued to each of the beach hut owners with a copy of the existing licence and the proposed new licence with the substantive changes highlighted. Owners could then respond on the proposed changes via a specific email address or by letter.
- 3.4 In addition, prior to the launch of the consultation the Hove Beach Hut Association (HBHA) was formed as a representative body for beach hut owners. The Association held an open meeting on Tuesday 6<sup>th</sup> November which was attended by the Chair of the Tourism, Development & Culture Committee, other elected members and officers. The view of the majority of owners present at that meeting was to retain the existing licence. This was also reflected by the majority of those that responded to the consultation which is summarised below. There were 142 responses received from the 459 owners. The recommendation is therefore to retain the existing licence.

Requests to remain with the existing licence	Agree to changes in licence but with significant caveats	Agree to changes in licence
98	28	16

## Beach Hut Licence Fee 2019/20

- 3.5 The annual licence fee for the owner's hut to be placed on Council land is currently £367.20 inc. VAT (£306.00 excl VAT) for the year 2018/19 giving an annual income to the Council of £140,454 (net of vat).
- 3.6 The proposal for the annual licence fee for the year 2019/20 is for an increase of 10% to £404. These changes would still mean Brighton & Hove has a lower charge than those made by a number of neighbouring authorities as per below. This level of increase was previously agreed by members at committee in January 2018 for the financial year 2018/19. However, as the appropriate notice to the Beach Hut owners was not given, the increase was not implemented.

<u>Local Authority</u>	<u>Location</u>	<u>Licence Fee (inc VAT)</u>
Rother District Council	Bexhill	£500 pa
Adur and Worthing	Worthing Lancing/Shoreham Beach	£590 pa £445 pa
Arun District Council	Felpham and Littlehampton	£518.69 pa
Wittering Estates PLC (private estate)	West Wittering	£445 pa
Seaford Town Council	Seaford	£406.50-£500pa
		<b>Licence Fee (inc VAT)</b>
Brighton & Hove City Council	<b>Current</b>	£367.20
Brighton & Hove City Council	<b>Proposed</b>	£404.00

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The consultation process informed the consideration of the potential implementation for a new licence.
- 4.2 The rationale for the proposed increase in the licence fee is included in the body of the report.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 As referenced in the body of the report.

## **6. CONCLUSION**

- 6.1 Following the outcome of the consultation with beach hut owners on the proposed modernised Beach Hut licence, that the existing licence is retained.

- 6.2 An above inflation increase of the beach hut annual licence fee would still mean a reasonable fee is charged, particularly when compared with neighbouring local authorities.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications

- 7.1 As part of the council's Financial Regulations proposed changes to fees and charges that are above or below the budgeted rate of inflation are brought back to service committees for approval. The anticipated recurring financial impact of fee changes will be reflected within the service revenue budgets and contribute toward the income targets associated with the service. Based upon the current number of huts the 10% increase in licence fee would generate an estimated additional £14,082 income for the year (net of vat). This income would support the Seafront Services revenue budgets. Income budgets will be reviewed as part of the budget monitoring process and reported through the Targeted Budget Monitoring reports through the year.

*Finance Officer Consulted: Rob Allen*

*Date: 11/12/18*

### Legal Implications:

- 7.2 The current licence provides that the annual licence fee is subject to change each year and that notice of any increase must be given to licensees "at least 2 months prior to 1<sup>st</sup> April in any year".

The recommended licence fee increase is in accordance with the Corporate Fees and Charges Policy.

*Lawyer Consulted: Hilary Woodward*

*Date: 11/12/18*

### Equalities Implications:

- 7.3 Beach huts are available to purchase by residents privately or via local estate agents. The council provides beach chalets for an annual rent which do not require significant capital outlay.

### Sustainability Implications:

- 7.4 None

### Any Other Significant Implications:

- 7.5 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. None

## **Documents in Members' Rooms**

1. None

## **Background Documents**

1. Report to Tourism, Development & Culture Committee on 11 January 2018 on Fees and Charges for Sport & Leisure, Venues and Libraries 2018/19.
2. Reports to Tourism, Development & Culture Committee on 21<sup>st</sup> June 2018 and 27<sup>th</sup> September 2018 on Beach Huts – Licence terms and conditions.

