

Subject:	Beach Huts – Licence terms and conditions		
Date of Meeting:	21 June 2018		
Report of:	Executive Director Environment, Economy & Culture		
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Ward(s) affected:	Wish, Westbourne, Central Hove, Brunswick & Adelaide		

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 However, 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. This report seeks approval from the committee for revised terms and conditions for the beach hut licence which will enable the increased transfer fee to be implemented. In addition, the existing terms and conditions of the beach hut licence would benefit from modernising to give greater clarity.

2. RECOMMENDATIONS:

- 2.1 That the committee approves the implementation of updated beach hut licences as attached in appendix 1.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 There are 459 wooden beach huts on Hove seafront that are privately owned by Brighton & Hove residents. There is often confusion between beach huts and beach chalets and an overview is provided in appendix 2 to explain the differences.
- 3.2 At Committee in January the increase in fees & charges for beach huts were approved with the licence fee increasing from £367.20 (incl VAT) to £404.00. Furthermore, the recommended increase in beach hut transfer fee from £82.00 to 3 times the licence fee or 10% of the sale price (whichever is greater) was also approved. This was in line with a range of comparator local authorities.

- 3.3 Originally the transfer fee had been introduced to cover the cost of the administration of a beach hut sale. There is no mechanism in the current beach hut licence for increasing the administration charge payable on transfer. The administration charge (transfer fee) cannot therefore be increased under the terms of the current licence.
- 3.4 The only option available to the council to implement the transfer fee is to terminate the licences and let new licences on different terms to the licensees. This would require the consent of the beach hut owners. The new licences would contain new terms including the new transfer fee.
- 3.5 The current licence says that it may be terminated by the council by at least one month's notice in writing. In the event of termination of the licence, the council can require the licensee to remove the hut and clear the site at their own expense. If they fail to do so, the council is entitled to carry out the removal and clearance (again, it is at the licensee's expense). The council can then dispose of the hut if they don't collect it or pay the expenses.
- 3.6 The only option to implement the increased transfer fee is write to the beach hut owners asking them to sign and return the licence with new terms attached. There would need to be a warning that if they fail to do so, the council will terminate the licence. Ultimately the council would have to be prepared to terminate the licences if beach hut owners refused to accept the new terms.
- 3.7 The existing beach hut licence terms and conditions need modernising in order to provide better clarity across a range of areas. For example, the existing terms and conditions could be clearer with regards to not allowing the sub-letting of beach huts for commercial gain. Therefore, the opportunity is being taken to review the terms and conditions to make such changes, as well as enable an increase in the transfer fee to be introduced. There would also be the chance to make other improvements such as to seek to correspond with as many beach hut owners as possible by email.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The rationale for the proposed revision of the term and conditions for beach hut licences is provided in the body of the report.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 A letter has been issued to the beach hut owners advising that an increase in the licence fee would not take place in the 18/19 financial year. In addition the letter also advised that the transfer fee would not be increasing on 1st April 2018, but the council would be contacting owners again about the implementation of the increase in the transfer fee.

6. CONCLUSION

- 6.1 The beach hut licence needs updating to ensure terms and conditions have greater clarity and to enable an increased transfer fee to be introduced as approved by Committee.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The 2018/19 budgets were set based on the Fees and Charges report approved at committee in January 2018. Any subsequent changes will be reflected in the Targeted Budget Monitoring (TBM) forecasts and then included in future year budgets. Service pressures arising from changes in fees and charges will need to be funded from other budgets.

Finance Officer Consulted: Gemma Jackson

Date: 14/05/18

Legal Implications:

- 7.2 As pointed out in the body of the report, the transfer fee agreed by Committee in January cannot be implemented under the terms of current beach hut licences. In order for the transfer fee to apply to current licensees, licensees would need to agree to new terms. The terms of the current licence allow the council to terminate licences on at least one month's notice and so this power is available to the council should a licensee not agree to the new terms.
- 7.3 The Executive Director Environment, Economy & Culture has delegated authority under delegation 6. (2) (d) to grant and terminate site licences for beach huts but this does not preclude the matter being placed before Committee for consideration (Part 6.1 paragraph 14. of the Constitution).

Lawyer Consulted: Hilary Woodward

Date: 15/5/18

Equalities Implications:

- 7.2 Beach huts are available to purchase by residents via local estate agents and can be viewed as a luxury item. The council provides `beach chalets for an annual rent which are more affordable.

Sustainability Implications:

- 7.3 In order to assist with the long-term sustainability of services, it is necessary to set charges at an appropriate level.

Any Other Significant Implications:

- 7.4 None

SUPPORTING DOCUMENTATION

Appendices:

1. Revised beach hut licence (to follow)
2. Overview of beach huts and beach chalets

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.