

CULTURE, RECREATION & TOURISM CABINET MEMBER MEETING

Agenda Item 42

Brighton & Hove City
Council

Subject: *Beach Chalet Letting Policy Proposal*
Date of Meeting: *7th December 2010*
Report of: *Strategic Director of Communities*
Contact Officer: Name: *Toni Manuel* **Tel:** *29-0394*
E-mail: *toni.manuel@brighton-hove.gov.uk*
Key Decision: No
Wards Affected: Rottingdean Coastal, Queens Park, Westbourne

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To set out the proposed changes to the current letting policy for beach chalets owned by the council at Ovingdean, Rottingdean, Saltdean, Madeira Drive and Hove Seafront.
- 1.2 To set out the proposed increase in the annual rent levied by the council for the beach chalets at Ovingdean, Rottingdean, Saltdean, Madeira Drive and Hove Seafront.
- 1.3 To set out the proposed new procedure for the beach chalet waiting lists.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet Member for Culture, Recreation & Tourism approves the introduction of a fixed term tenancy for a period of five years for beach chalets.
- 2.2 That the Cabinet Member for Culture, Recreation & Tourism approves the proposed 10% increase in the annual rent for chalets.
- 2.3 That the Cabinet Member for Culture, Recreation & Tourism approves the new procedure for beach chalet waiting lists.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

Background

- 3.1 There are 105 Chalets on the seafront from Hove to Saltdean in 5 locations which are maintained at considerable cost to the council (see 3.8). There is a waiting list for each set of chalets with around 40 people on each list. There are a total of 113 different people on the various waiting lists. The vast majority of those on the lists are Brighton and Hove residents but there are 7 people who live in East or West Sussex. The lists have been closed since 2003 and some people have been on the lists for over 10 years.
- 3.2 Information is available on the Council's website advising that the waiting list for chalets is currently closed. In the spring and early summer the number of enquiries can rise to several each week. Calls are regularly received from those on the waiting list asking for their position on the list.
- 3.3 The chalets are different to the wooden Beach huts which are located only on Hove seafront. Beach huts are owned by members of the public who pay an annual fee to keep their hut on Hove Promenade. This is done using a licence agreement renewable on 1st April each year. Beach chalets are owned by the council are generally of a brick built construction and are rented on an annual basis.
- 3.4 The Seafront Surveyor receives regular calls from members of the public about the availability of beach chalets and complaints that many chalets appear to be little used even in the height of the summer.
- 3.4 While measures to reopen the waiting list may be unpopular with some existing tenants, it offers the potential for a wider range of residents to benefit from this highly sought after amenity.
- 3.5 The chalets are let by way of a tenancy agreement for an indefinite length of time and subject to an annual rent. They cannot be sold on by the tenant or inherited. The agreements can be determined by either landlord or tenant on two months notice.
- 3.6 The Chalets are of solid or brick built construction in blocks in five locations. In Hove each of the 22 chalets has an electricity and water supply. The chalets on Madeira Drive and in Ovingdean, Rottingdean and Saltdean have a shared water tap only.
- 3.7 The tenants are responsible for the door and interior of the chalet only. The Council are responsible for the structure of each block and regular maintenance is required due to the harsh seafront environment.
- 3.8 In the last 2 years alone the council has spent in excess of £65k on beach chalet maintenance. Further maintenance works are required to ensure the buildings remain safe and dry.
- 3.9 The total rental income for 2010/2011 is £44,927 plus VAT. The annual rent in Hove is £718 including VAT due to the services available. Elsewhere the chalet tenants pay between £419 and £493 on Madeira Drive reflecting the more central location. Tenants are also liable for National Non Domestic Rates (NNDR). This varies by location between £100pa and £200pa however Small Business Rates Relief is currently available and reduces the charges by 50%.

In order to free up the waiting list and increase usage it is proposed to introduce a fixed term tenancy for a period of five years.

Proposal

- 3.10 As the chalets are let on a tenancy for an indefinite length of time this would enable the waiting list to become active again. To enable a phased introduction of this change tenants who have occupied a chalet for more than five years could be given two more years of occupation from April 2011. Tenants who have occupied a chalet for less than 5 years will be allowed to continue for a full 5 year period.

- 3.11 Thus in April 2013 the majority of chalets will become available for rent and the waiting lists can be reopened. The chalets will then be fully maintained by the Council including the doors (locks will remain the tenant's responsibility).

Charges for 2011 – 2012

- 3.12 It is suggested that the annual rents are increased by 10% but they would still provide excellent value for money particularly as the council has the main maintenance responsibility.
- 3.13 A 10% increase in the annual rent for chalets would result in the rent for Hove chalets increasing to £807 including 20% VAT. Based on the same percentage increase, the annual rents in the other locations will be between £470 and £554. The total rental income would increase to £49,420 plus VAT.
- 3.14 Proposed charges for beach chalets

	Existing Charge £ inc VAT (17.5%)	Proposed Charge £ inc VAT (20%)	Percentage Change
Hove	718.88	807.60	10%
Madeira Drive	493.42	554.35	10%
Saltdean	418.90	470.60	10%
Rottingdean	418.90	470.60	10%
Ovingdean	468.13	525.90	10%

- 3.15 Even with the proposed increase the chalets still compare favourably in price to those located on neighbouring seafronts. Brighton & Hove chalets have lower rents than those at Southwick, Worthing and Eastbourne.

New Procedure for the waiting list

- 3.16 Only residents of Brighton & Hove would be permitted on the waiting list.
- 3.17 There will be a list for each set of chalets however residents will only be able to put their names down on one list.
- 3.18 Existing tenants who are residents of Brighton & Hove will be permitted to go back on the waiting list when their tenancy expires.

4. CONSULTATION

- 4.1 The ability to serve 2 months notice on a tenant to vacate the premises is prescribed within the tenancy agreement for each chalet.
- 4.2 The ability to revise rents is prescribed within the tenancy agreement for each chalet. Notice of revised rent is given at least two months prior to registered tenants being billed by the Central Collections Team.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The Budget Process Report 2010/11 agreed at Cabinet in July 2009 specified that Fees and Charges are assumed to increase by a standard inflation rate each year, which is 2% for 2011/12. The proposed rent increases would provide an additional income of £4,493 to help offset against the ongoing maintenance costs.

Finance Officer Consulted: Karen Brookshaw Date: 19/11/2010

Legal Implications:

- 5.2 The changes proposed in this report are considered to be reasonable and appropriate and sufficient time has been allowed for giving proper notice of the changes.

Layer Consulted: Bob Bruce Date: 25/11/10

Equalities Implications:

- 5.3 All residents of Brighton & Hove will be eligible to rent a beach chalet.

Sustainability Implications:

- 5.4 None specifically in relation to the new policy or rents.

Crime & Disorder Implications:

- 5.5 None specifically in relation to the new policy or rents.

Risk and Opportunity Management Implications:

- 5.6 While measures to reopen the waiting list may be unpopular with some existing tenants, it offers the potential for a wider range of residents to benefit from this highly sought after amenity.
- 5.7 Although it is proposed to increase the chalet rents there is still huge demand from residents for beach chalets.

Corporate / Citywide Implications:

- 5.7 The beach chalets are available to rent by any Brighton & Hove resident regardless of their location within the city.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 None

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 Rents for the chalets are reviewed each year. There is a requirement within the terms of the agreement that is issued to the occupier that two clear months notice is given of proposed increases before they can be passed on and implemented.

7.2 Due to the overwhelming demand for beach chalets and the length of time the waiting list has now been closed a change in policy is required in order to enable the waiting list to become active again.

SUPPORTING DOCUMENTATION

Appendices:

1. Beach Chalet Terms & Conditions

Documents In Members' Rooms

1. None

Background Documents

1. None