

Subject:	Beach Huts – modernising licence terms and conditions		
Date of Meeting:	27th September 2018		
Report of:	Executive Director Economy, Environment & 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 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 (appendices 1 & 2). A report was considered by the committee in June seeking approval for revised terms and conditions for the beach hut licence to modernise the terms and conditions and enable the increased transfer fee to be implemented. The report was deferred to this meeting.
- 1.3 Since the last committee meeting the Labour Administration has announced that due to the complexity of increasing the transfer fee that was agreed in January 2018 it did not wish to continue with implementation. Any future proposals to change fees and charges in relation to beach huts would be considered by committee as part of the annual review of fees and charges.
- 1.4 This report therefore focuses on modernising the existing terms and conditions of beach hut licences to provide greater clarity to a number of the conditions which are now dated.

2. RECOMMENDATIONS:

- 2.1 That the committee agrees not to increase the transfer fee for beach huts that was originally approved in the fees & charges for 2018/19.

- 2.2 That the committee approves consultation with beach hut owners on the proposed modernised beach hut licence as attached in appendix 3. The Executive Director for Economy, Environment & Culture will then consider implementation of the new beach hut licence under delegated powers subject to the consultation response.

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 and an overview is provided in appendix 4 to explain the differences for new members of the committee.

- 3.2 The existing beach hut licence and terms & conditions need modernising in order to provide better clarity across a range of areas. A review has been undertaken with Legal Services of the existing licence and terms & conditions. The substantive proposed changes are as follows which are shown as underlined in appendix 3:

- Previously the beach hut licence and the terms & conditions were separate documents (appendices 1 & 2) and the proposal is to incorporate the terms & conditions into a modernised licence (appendix 3). This is standard best practice for licenses to include terms & conditions. In addition, the specification for a beach hut will be attached to the licence. This will be reviewed in the near future to ensure the requirements are up to date e.g. paint standards.
- Notifying beach hut owners of any increase in the licence fee via the council website or by contacting the Seafront Office by telephone will be more cost effective than individual letters.
- There is provision for the council to be able to increase the transfer fee in future years.
- The payment terms are amended so that a new licence holder will pay the licence fee for the rest of the year (apportioned according to how many months of the year are left). Following the first year they will pay by a single annual payment or a direct debit in 10 equal instalments.
- Availability of information on the rules and regulations e.g. bye-laws of the use of the site is shown.
- There is a clear clause that indicates a beach hut owner cannot sub licence or offer for use by others. There have been examples in the past of beach huts being advertised for rent.
- To assist with communication with beach hut owners there is now also provision to be able to communicate by email.
- In addition, there has been a general modernisation of the language of the licence to improve the document.

- 3.3 The proposal is to consult with beach hut owners on the modernised licence by writing to them and giving four weeks for comment. The comments will then be reviewed and consideration given by the Executive Director for Economy, Environment & Culture to implement the new beach hut licence under delegated powers.
- 3.4 In order to modernise the terms and conditions it is necessary to terminate the existing 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 incorporate modernised terms and conditions as per appendix 3 subject to the outcome of the consultation with the beach hut owners.
- 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. This is not a sanction that existing officers can ever recall being implemented.
- 3.6 The process to modernise the terms and conditions would be to write to the beach hut owners asking them to sign and return the licence. 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. It would be surprising if a beach hut owner chose not to accept new terms as in effect they would be giving up an asset worth in the region of £20,000 due to the Seafront location.

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 Subject to the agreement of the committee to consult with beach hut owners on the modernised new licence, it is proposed to write to the beach hut owners with a copy of the modernised licence and give four weeks for any comments.

6. CONCLUSION

- 6.1 Agreement needs to be given by committee to not implement the previous decision to increase the transfer fee. The beach hut licence needs updating to ensure the terms and conditions have greater clarity.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The 2018/19 budgets were set based upon the Fees and Charges report approved at committee in January 2018. The effect on fees and charges budgets

to reflect the transfer fees not being implemented will be reported through the Targeted Budget Monitoring (TBM) forecast in 2018/19. Any future proposals to change transfer fees for the beach huts would be considered by committee as part of the annual review of fees and charges for the 2019/20 budget. During the calendar year 2017 twenty beach huts were transferred this would equate to a total fees for the council of £1,640 at the current transfer fee of £82. Assuming an average sale price of circa £18,000 per hut this would have generated income of circa £36,000 had the new proposals been adopted.

Finance Officer Consulted: Rob Allen

Date: 03/09/18

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: Alice Rowland

Date: 03/09/2018

Equalities Implications:

- 7.4 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:

- 7.5 None

Any Other Significant Implications:

- 7.6 None

SUPPORTING DOCUMENTATION

Appendices:

1. Existing beach hut licence
2. Existing beach hut terms & conditions

3. Modernised beach hut licence incorporating terms & conditions (substantive changes from existing are underlined)
4. 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.
2. Report to Tourism, Development & Culture Committee on 21st June 2018 on Beach Huts – Licence terms and conditions.

