

Subject:	Beach Chalet Letting Policy		
Date of Meeting:	14th January 2020		
Report of:	Executive Director Economy, Environment & Culture		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 At the meeting of the Tourism Equalities Communities and Culture (TECC) Committee held on 16th January 2020 the Committee considered a deputation from Rottingdean Parish Council regarding beach chalets. The request included the statement: "We would like to see a move to a 5 year fixed-term license for all licensees. We recognise that this is a sensitive issue and that this would require a reasonable notice period of say 5 years....."
- 1.2 The response to the deputation indicated that a future Committee would consider a report on the issue. A public consultation exercise has been undertaken on the letting of beach chalets to inform the recommendations below.
- 1.3 A feasibility study to identify potential locations to provide more beach chalets and beach huts was supported by Council at the meeting on 22nd October 2020 (see paragraph 3.25 below). If the Committee agrees to a feasibility study, external consultants would be commissioned to undertake the study due to the scale of the seafront from Hove Lagoon to Rottingdean and the specialist nature of the work required. A report would then be brought to a future meeting of the Committee on the findings of the feasibility study.

2. RECOMMENDATIONS:

- 2.1 That the Committee approves bringing indefinite agreements to an end for beach chalets for those that do not reside in Brighton & Hove in accordance with the terms and conditions of the licence agreement.

- 2.2 That the Committee agrees that annual checks are carried out to ensure that all existing and future fixed-term licence agreements remain with residents of Brighton & Hove.
- 2.3 That the Committee agrees for a feasibility study to be undertaken on the provision of additional beach chalets and beach huts along the seafront including less well visited parts.
- 2.4 That the Committee agrees the feasibility study explores options to finance the building of additional beach chalets or beach huts to rent or to purchase.
- 2.5 That the Committee agrees the feasibility report also identifies how beach huts and chalet income east of the Palace Pier could support additional borrowing and regeneration of Madeira Terraces and contribute to the wider area's regeneration and renewal.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Enjoyment of the seaside is a key recreational resource for thousands of the city's residents as well as the vast numbers of visitors. A beach chalet gives a chance for users to enjoy their own unique space with fantastic views and amenities that enable their seaside trips to be more frequent and longer. A regular seaside experience is available to chalet users, which is much desired. This is why there are long, currently closed waiting lists for the 105 chalets available.

BEACH CHALETS ARE DIFFERENT FROM BEACH HUTS

- 3.2 The beach chalets are brick-built structures which are council owned and located in Ovingdean, Rottingdean, Saltdean, Madeira Drive and Hove. They are different to beach huts which are wooden structures solely located on Hove Promenade and are privately owned (see Appendix 1).
- 3.3 Residents are able to rent a beach chalet for an annual fee of between £878 to £1500 depending on where they are located and whether they have power and/or water. Chalets are considered a more affordable option to buying a beach hut which can cost over £25,000 on the open market.

CURRENT FORMS OF BEACH CHALET LICENCE AGREEMENTS

- 3.4 There is currently a mix of licence agreements for users of beach chalets. These are explained in paragraphs 3.5 and 3.6 below.

Beach Chalet indefinite agreements

- 3.5 Some chalets let prior to 2011 are for an indefinite term which means that users can hold on to their chalet for a long period. The fact that they are 'indefinite'

does not mean they cannot be terminated by the council. It means that they do not have a fixed term: they will continue until one party terminates (or the user passes away). There are 69 of this type of agreement remaining which comprises more than two thirds of the total number of chalets. Currently these licence agreements do not require the user to live in Brighton & Hove. These licences are personal to the named user and non-assignable. Non-assignable means a chalet user cannot “assign”, which means transfer their chalet agreement to another person. Therefore, if the user passes away the chalet must be handed back to the council to be let to the next person on the waiting list.

Beach Chalet fixed-term agreements

- 3.6 Since 2011 all new agreements for beach chalets have been let for a fixed-term of 5 years to Brighton & Hove residents only. The chalet must be handed back to the council if the chalet user advises that they are moving out of Brighton and Hove, if the chalet user passes away, or at the end of the 5 year period. The chalet will then be let to the next person on the waiting list. This change to the policy was a decision made at the Culture, Recreation and Tourism Cabinet Member Meeting in December 2010.

WAITING LISTS

- 3.7 Of the 105 chalets, there are only 36 chalets which are on the fixed-term agreements, which means 69 have remained on indefinite agreements. As a consequence, the turnover of chalets is low, limiting the opportunity for this amenity to be enjoyed by more people.
- 3.8 In 2017 the council re-opened the waiting lists for Madeira Drive, Rottingdean, Ovingdean and Saltdean. The Hove list was still too long to justify re-opening. Some people having been on this list since 2006. The waiting lists for the other chalets were quickly filled to between 40 and 50 interested parties and were closed again after a month or two.

Current position

- 3.9 The waiting lists have remained closed since April 2017 and the number of people on the lists are shown in the table below:

	Hove	Madeira Drive	Ovingdean	Rottingdean	Saltdean	Total
No. of chalets	22	23	10	30	20	105
Indefinite agreement	13	15	7	17	17	69
5 year fixed-term agreement	9	8	3	13	3	36
On waiting list	13	35	30	45	42	165

- 3.10 During the period from April 2017 to date, there have been 22 new fixed-term agreements granted, the majority of which were replacing other fixed-term tenancies. This is an average turnover of around six new lettings per year across the entire portfolio.
- 3.11 In order to inform this committee report, officers have undertaken a public consultation on the beach chalet letting policy.

PUBLIC CONSULTATION

- 3.12 The consultation took the form of a public online survey which was available to complete for four weeks in September 2020. Both existing chalet users and those on the waiting lists were notified about the survey. Councillors of wards where beach chalets are located were notified as well as messaging to the wider public via the council's social media. Paper copies of the survey were sent to beach chalet users and those on the waiting list who do not have access to the internet.
- 3.13 The consultation questions focused on indefinite agreements and whether these should be brought to an end in order to ease the waiting lists and therefore increase the opportunity for more residents to rent a beach chalet.
- 3.14 There was a total of 790 responses to the survey. A summary of the consultation responses can be found in Appendix 2.
- 3.15 65% of those who responded to the consultation were in favour of changes being made to phase out indefinite agreements and make all agreements fixed-term.
- 3.16 30% of those who responded disagreed with making changes to indefinite agreements.
- 3.17 From a total of 69 indefinite chalet users who responded to the survey, 33 have rented a chalet for between 10 – 19 years and 32 have had a chalet for over 20 years. The remaining 4 did not provide an answer to this question.
- 3.18 From the 76 respondents who are on the waiting list, 58 stated they had been on the list for between 0 – 6 years, while 8 stated they had been on the list for over 10 years. The remainder were unsure how long they had been waiting to rent a chalet.
- 3.19 Respondents were split on how long those who currently have an indefinite agreement should be able to continue renting a chalet if indefinite agreements were phased out. The responses did not significantly favour one particular time period over another. However, there was more support for a longer length of time i.e. several years rather than just 1 year. When grouped together, 50% felt that users should be given either 5 years or 5 years or more.

CONSIDERATION OF OPTIONS

- 3.20 Given the popularity of beach chalets it would be surprising if users with indefinite agreements would wish to see those agreements ended and moved to a fixed-term basis, as proposed by the deputation from Rottingdean Parish Council. There are 69 of those agreements in existence, but 237 respondents felt they should not change. In addition, those agreements have been in place for many years with the expectation of the user they would be honoured for life or unless the user gave up the agreement.
- 3.21 The consultation reiterated what is known from the long waiting lists, that beach chalets are a very popular much sought-after amenity. Therefore, to improve the opportunity for beach chalets to be available for more residents of Brighton and Hove, the options recommended are to restrict all users to be residents of the city and to provide more chalets.

Restriction of all beach chalet users to be residents of Brighton & Hove

- 3.22 There was overwhelming feedback (92%) to the question that if a chalet user moves away from Brighton and Hove, they should hand back the chalet. There are currently 8 chalet users who reside outside of the city.
- 3.23 It is therefore recommended that users with indefinite agreements who live outside of Brighton and Hove are terminated in accordance with the terms and conditions. Furthermore, it is recommended that annual checks are carried out with all chalet users going forward to ensure that they remain residents of Brighton & Hove.

Feasibility Study

- 3.24 Previous feasibility studies into the provision of additional beach chalets and beach huts have suggested this option would be viable. However, given the number of respondents to the consultation interested in a beach chalet, together with the existing waiting lists, it is appropriate to engage external professionals to fully consider provision again. External consultants would be commissioned to assess locations, construction costs and the overall viability of additional provision along the length of the seafront. It is proposed that a further report on the findings of the feasibility study is brought to a future meeting of the Committee.
- 3.25 At Council on the 22nd October the motion was passed that the feasibility study:
1. Explores options to finance the building of additional beach chalets or beach huts to rent or to purchase;
 2. Identifies locations for more chalets and huts along parts the seafront including less well-visited parts to help regenerate those areas and provide essential footfall for local businesses including east of the Palace Pier;

3. Identifies how beach huts and chalet income east of the Palace Pier could support additional borrowing and regeneration of Madeira Terraces and contribute to the wider area's regeneration and renewal.

3.26 A feasibility study is therefore proposed to be undertaken with a further report on the outcome being brought back to the committee.

3.27 The consultation response indicated strong support for the ending of indefinite agreements, however, this reflects the desire of many residents to have use of a beach chalet. The majority of responses were from those wishing to be beach chalet users.

3.28 When this issue was considered back in 2011, it was acknowledged that the indefinite agreements of beach chalet users restricted the movement of waiting lists (hence fixed-term agreements for new users were introduced). However, it was not felt to be appropriate to end existing agreements that had been entered into in good faith. As this still remains the case it is not recommended that indefinite agreements are terminated, with the focus on the provision of further beach chalets being potentially the most realistic way in which significant turnover of the waiting lists can be achieved.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Alternative options have been considered in the body of the report. The outcome of the consultation exercise has helped inform the consideration of the options.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 The results of the public consultation are included in the body of the report and in Appendix 2.

6. CONCLUSION

6.1 The consultation clearly indicated a preference for beach chalets to only be available for the use of residents of Brighton & Hove. Therefore, changes are recommended to ensure that users can only be residents of the city.

6.2 In order for a greater opportunity to be created for residents of the city to enjoy the use of a beach chalet, it is necessary for a feasibility study to be undertaken to consider the potential provision of further beach chalets to increase movement on waiting lists.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The recommendations of the report (for example; annual review of residency status of tenants, will potentially incur additional costs (for example; officer time). It is expected that any additional costs associated with this part of the proposed recommendations will be contained within existing service budgets. This will be monitored as part of monthly budget monitoring.
- 7.2 There are no existing budgets to cover the cost of the proposed feasibility study for the provision of additional beach chalets/huts. If this is approved, then budget would need to be separately requested and potentially diverted from elsewhere within council services (a budget reduction to another service) to fund this cost. Currently, the service has no estimate for the potential cost of the feasibility study which would potentially require externally sourced expertise/input. The decision-making route would depend on the cost of the study.

Finance Officer Consulted: Name Jess Laing

Date: 10/12/2020

Legal Implications:

- 7.3 Under the terms of the Beach Chalet agreements there is the ability for the agreements to be terminated by giving notice to the user. Subject to the terms of the individual agreements (there is some variation) the council can terminate the agreements where the user is not a resident of the city.

Lawyer Consulted: Alice Rowland

Date: 09/12/20

Equalities Implications:

- 7.4 The basis for the report is to give a greater opportunity for residents wishing to use a beach chalet. If further beach chalets could be provided the movement of the waiting lists would increase and a greater number of residents would be able to benefit year on year from these sought-after amenities.

Sustainability Implications:

- 7.5 There are no implications identified.

Brexit Implications:

- 7.6 There are no implications identified.

Any Other Significant Implications:

Public Health Implications:

- 7.6 Engaging with the outdoor environment can have a positive impact on both physical and mental health & well-being.

SUPPORTING DOCUMENTATION

Appendices:

1. Overview of Beach Huts and Beach Chalets
2. Summary of Beach Chalet Consultation Responses

Background Documents

1. None