

CULTURE, RECREATION & TOURISM CABINET MEMBER MEETING

Agenda Item 45

Brighton & Hove City Council

Subject:	Beach Chalet Consultation		
Date of Meeting:	6th December 2011		
Report of:	<i>Strategic Director - Communities</i>		
Contact Officer:	Name:	Ian Shurrock	Tel: 29-2084
	E-mail:	ian.shurrock@brighton-hove.gov.uk	
Key Decision:	Yes	Forward Plan No. (7 Digit Ref):	
Wards Affected:	Rottingdean Coastal, Queens Park and Westbourne		

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To provide an update on the consultation undertaking on the letting policy for beach chalets at Ovingdean, Rottingdean, Saltdean, Maderia Drive and Hove Seafont.
- 1.2 This report is one of several that are being considered in relation to fees and charges for the next financial year (2012/13) across the wide range of services within the portfolio of the Cabinet Member for Culture, Recreation and Tourism. While services positively engage in collaborative working, at the moment each report has been considered individually and recommendations made in relation to the specific issues of the service being provided.
- 1.3 For the financial year 2013/14 an overall review will be undertaken with the wide range of fees and charges considered together rather than individually. The intention being to achieve a more consistent approach to the increases that are proposed across the wide range of services

2. RECOMMENDATIONS:

- (1) That the Cabinet Member for Culture, Recreation and Tourism notes the results of the consultation exercise on amending the policy for letting beach chalets to existing tenants.
- (2) That the Cabinet Member for Culture, Recreation and Tourism does not change at the present time the existing policy for letting beach chalets to existing tenants that are residents of Brighton and Hove. This will be reviewed in one year to assess whether the price increases in recommendations (3) and (4) have increased the movement in the waiting lists.

- (3) That the Cabinet Member for Culture, Recreation and Tourism approves a proposed 10 % increase in the annual rents for chalets for tenants that are residents of Brighton & Hove.
- (4) That the Cabinet Member for Culture, Recreation and Tourism approves a rental charge for chalets for tenants that are not residents of Brighton & Hove that is 20% higher than for residents with existing tenancies.
- (5) That the Cabinet Member for Culture, Recreation and Tourism approves a proposed increase of 5% for tenants on fixed term tenancies.
- (6) That the Cabinet Member for Culture, Recreation and Tourism does not introduce an annual lottery draw for chalet tenancies.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 At the Cabinet Member Meeting on 7th December 2010, approval was given for a consultation exercise on amending the policy for letting beach chalets to existing tenants. 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 only a few people 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 tenants which is much desired hence long, closed waiting lists for the 105 chalets available.
- 3.2 The waiting lists for beach chalets have been closed for many years and the aim of the consultation exercise was primarily to consider ways in which the policy could be changed to enable the waiting lists to become active again. During the last year there has been a small movement in the waiting lists due to 8 chalets tenants not renewing, the increase in charges possibly being a factor in the decision not to renew for some tenants. The waiting lists remain high even though they are closed, with the current totals being Ovingdean (32), Saltdean (32), Rottingdean (29), Madeira Drive (35) and Hove (34). Some people are on more than one waiting list.
- 3.3 Beach chalets are clearly a popular resource for which demand greatly exceeds supply. However, the lack of movement on the waiting lists indicates that the accessibility for this valuable resource to enjoy the seaside is being limited. Furthermore, beach chalets can be rented which is a more affordable option than beach huts which are sold for several thousand pounds. Therefore, measures to increase the turnover are proposed on the basis of enabling more members of the community to have the opportunity to benefit from the use of a chalet.
- 3.4 At the Cabinet Member Meeting on 7th December 2010, approval was given to the introduction of a fixed term tenancy for a maximum period of five years for all new beach chalet tenancies only. Furthermore, the Cabinet Member approved the implementation of a two month notice period to end tenancies when the tenant is not complying with their maintenance responsibilities. Inspections have taken place of the chalets at Ovingdean, Saltdean, Rottingdean and Hove and nearly all were found to be maintained to an appropriate standard. A few required some improvements which were being addressed and therefore no notices were

served to end tenancies. An on-going programme of inspections will be implemented as resources allow.

- 3.5 The consultation exercise included the issuing of 105 copies of a survey to existing tenants and 115 copies to people on the waiting lists. In addition, an on-line facility was made available to complete the survey which was available for any member of the public. There were 145 responses received for the survey in total including both paper copies and those completed on-line.
- 3.6 A summary of the responses to the survey are indicated in the table below:

Question	YES	NO	Don't Know
Should there be a change to fixed term tenancies?	77	68	0
If there was a change to a fixed term tenancy should existing tenants be allowed to stay for 5 more years?	66	59	20
Should tenants from outside Brighton & Hove be allowed to continue to rent a chalet?	37	103	5
Is an annual lottery draw for chalet tenancies for Brighton and Hove residents only a fairer option?	24	120	1

As the results show there was a small majority of responses in favour of a change to a fixed term tenancy. Similarly, the highest number of responses were in favour of allowing existing tenants to stay for 5 more years should a fixed tenancy be introduced. It is probably not surprising that these results are close as the existing tenants are likely to want to retain their existing tenancies, whereas those people that have been on the waiting lists for many years wish to see movement in the waiting lists. Therefore, there is not a clear mandate to change the existing policy.

- 3.7 As indicated in the previous report to the Cabinet Member meeting in December 2010, the council has invested significant sums in maintaining the chalets, to the benefit of a limited number of tenants. Therefore, it is proposed that, as beach chalets are such a valuable recreational resource, with demand greatly exceeding supply, that the charges should be raised by 10% for the second year in succession for residents in Brighton & Hove.
- 3.8 A 10% increase in the annual rents for chalets would result in the rent for Hove chalets increasing to £888.40 including 20% VAT. Based on the same percentage increase, the annual rents in the other locations will be between £517.70 and £609.80.

3.9 Proposed charges for beach chalets for tenants that live in Brighton & Hove are as follows:

	Existing Charge £ inc VAT	Proposed Charge £ inc VAT	Percentage Change
Hove	807.60	888.40	10%
Madeira Drive	554.35	609.80	10%
Saltdean	470.60	517.70	10%
Rottingdean	470.60	517.70	10%
Ovingdean	525.90	578.50	10%

3.10 A clear majority view was received indicating that the existing tenancies should be terminated of those from outside Brighton and Hove. As the decision has already been previously taken to remove non residents of the city from the waiting list (and no change is proposed on the length of tenancy of existing tenants resident in the city) it would be harsh to terminate the tenancy agreements of non residents. However, as beach chalets are provided and maintained by the city council it is proposed that existing chalet tenants that are non residents are charged an additional 20% to rent a chalet. It is not unusual for councils to levy different charges for residents and non residents.

3.11 Proposed charges for beach chalets for tenants that do not live in Brighton & Hove:

	Proposed for Residents £ inc VAT	Proposed for Non Residents £ inc VAT	Percentage Difference
Hove	888.40	1066.10	20%
Madeira Drive	609.80	731.80	20%
Saltdean	517.70	621.25	20%
Rottingdean	517.70	621.25	20%
Ovingdean	578.50	694.20	20%

3.12 As all new tenancies are on a fixed term basis of five years and these new tenants had been on the waiting list for many years, it is proposed that the charges for beach chalets for tenants that have fixed term tenancies would be increased by 5% as below:

	Existing Charge £ inc VAT	Proposed Charge £ inc VAT	Percentage Change
Hove	807.60	848.00	5%
Madeira Drive	554.35	582.10	5%
Saltdean	470.60	494.15	5%
Rottingdean	470.60	494.15	5%

Ovingdean	525.90	552.20	5%
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- 3.13 Similar beach chalets are also provided (rather than just beach huts) in Worthing which are brick built and have a water supply but no electricity. The charge during the current financial year of £1067.23 (included VAT) is higher than the charge proposed for next year for the Hove chalets which also have electricity.

4. CONSULTATION

- 4.1 A consultation exercise has been undertaken with a survey to current chalet tenants, people on the waiting list for beach chalets, and the survey could be completed on-line by any member of the public.

5. FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications

The fees and charges included in this report have been reviewed in accordance with the Corporate Fees and Charges Policy and the proposed fees would generate an income of approximately £55k in 2012/13.

Finance Officer Consulted: Michelle Herrington

Date: 21/11/12

5.2 Legal Implications

- 5.2.1 This report sets out the consultation responses to the previous administration's proposed changes regarding beach chalets and revised proposals for the Cabinet Member to consider. The main issues arising are:

- (a) whether it is reasonable in all the circumstances to increase the rental levels to tenants and
- (b) whether it is appropriate and reasonable to charge more to tenants who reside outside of the city.

- 5.2.2 Re: (a), given that the chalets are much in demand and that the council has spent significant amounts of money on improvements, the proposed increase is reasonable.

Re: (b), the provision of beach chalets can be viewed as a local service, primarily made available to local residents. If non residents wish to take advantage of the service, it is not unreasonable for the council to expect such non residents to pay a higher rent.

Lawyer Consulted: Name Bob Bruce

Date: 09.11.11

5.3 Equalities Implications

Whilst the closure of the waiting lists and the opportunity for existing tenants to continually renew their tenancies, may not give an equitable opportunity for other residents to benefit from beach chalets provided by the council, the previously proposed changes may be regarded as inequitable to the existing tenants. In effect the new proposals may be regarded as a more equitable compromise.

5.4 Sustainability Implications:
None specifically

5.5 Crime & Disorder Implications:
None specifically

5.6 Risk and Opportunity Management Implications:
While measures to reopen the waiting lists may be unpopular with some existing tenants, they offer the potential for a wider range of residents to benefit from this highly sought after amenity.

5.7 Corporate / Citywide Implications:
The Seafront is a key resource for the city with access to most amenities provided on the Seafront being made available to as many of the city's residents as possible. Measures to widen the availability of beach chalets would therefore be consistent with this aim.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 The options have been considered in the consultation exercise.

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 The recommendations potentially give the opportunity to increase the number of residents who are able to benefit from the highly sought after beach chalets, by reactivating the waiting lists.

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents in Members' Rooms

1. None

Background Documents

1. Report to the Culture, Recreation & Tourism Cabinet Member meeting on 7th December 2010.

