

CABINET

17 FEBRUARY 2022

REPORT OF THE LEISURE AND TOURISM PORTFOLIO HOLDER

A.10 TENDRING BEACH HUT STRATEGY REVISITED – FOLLOWING CONSULTATION

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present a draft Beach Hut Strategy Review following stakeholder consultation for Cabinet approval and agree implementation of the subsequent work strands.

EXECUTIVE SUMMARY

- The Council adopted the current Beach Hut Strategy in 2013, to provide a consistent approach to the management of this service in subsequent years. This revision of the existing strategy (Appendix A) is to update a number of issues relating to beach huts, to ensure beach hut conditions are adhered to and appropriate resources are considered to monitor the service.
- Following a 'pre consultation' process which engaged 2,673 stakeholders, Cabinet considered a draft revised Beach Hut Strategy in November 2022 and instructed Officers to carry out a further consultation exercise, to allow stakeholder comments on the proposals. Consideration would then be given to the responses, prior to a final draft strategy being prepared for Cabinet consideration in February 2023. Where appropriate, resident's views have been separated to provide a clearer understanding local views, against those from outside the area.
- The proposals set out in the draft strategy are aimed at improving the beach hut service going forward, in terms of improvements to seafront aesthetics, ensuring a regulated service for rentals and improved governance. The key strands which were subject to consultation were as follows:
 - o Implementing Commercial Agreements for those wishing to rent
 - o Limiting Beach Hut Agreements to one per household
 - o A review of the Beach Hut design specification
 - o Addressing Beach Hut Adaptations
 - o Resourcing additional enforcement
 - o A move towards a digitalised service
 - o Building new beach huts
 - o A move from licence agreements to leases
- The consultation was completed by 1507 stakeholders and their views and comments have been taken into consideration in the production of this final draft.

- The outcome of the consultation is set out both Part 2 of this report and the appropriate appendices. Key points for Cabinet consideration however are as follows:

- o The majority of consultees either strongly disagreed or disagreed with the proposal to implement commercial agreements for those wishing to rent. Following an evaluation of the comments received, the key responses can be divided into two sections.

- i. *Those who were concerned about the number of users renting huts were excessive and led to disturbance*

- ii. *Those who felt they should be able to rent under the existing agreements*

Consideration of the points raised in the consultation is set out in Part 2 of this report, but it is recommended to continue with this aspect of the strategy for the reasons set out in Part 2.

- o The majority of consultees either strongly disagreed or disagreed with the proposal to limit beach hut agreements to one per household. It should be stated however, that of Tendring residents completing the consultation, a majority were actually in favour of this action.

Consideration of the points raised in the consultation is set out in Part 2 of this report, but it is recommended to continue with this aspect of the strategy for the reasons set out in Part 2.

- o The majority of consultees either strongly disagreed or disagreed with the proposal to move from licences to leases. After evaluating the comments received, it is clear that a large proportion of the consultees and their respective Beach Hut Associations, felt they could not agree to this proposal, without knowledge of the price increase and what the proposed agreements would entail. The Cabinet report accompanying the draft strategy in November, was clear that the fees would increase, but this would be determined by an independent evaluation if Cabinet agreed to the principal of this proposal.

Despite the opposition set out in the consultation, the recommendation remains to move from licence agreements to leases from April 2024. A further understanding of fees and charges are covered in Part 2 of the report, for Cabinet to consider the context and how any increase may impact Beach Hut users. Leases will both offer additional security of tenure to Beach Hut users and the additional costs are considered worth the additional benefits. This improved agreement will protect Beach Hut owners' investments when they are currently changing hands for highly significant values. Whereas licence agreements are personal and not transferrable, and can be altered or revoked providing just 28 days' notice. Leases will also further improve legal arrangements and provide a clearer agreement between the Council and Beach Hut users, recognising the intentions of the parties. It is recommended that the decision to agree the final

terms of the lease and the respective charges are delegated to the Portfolio Holder for Leisure and Tourism (in line with the Property Dealing Procedure). As a result, this decision will be an Executive Decision published and subject to call-in on specific grounds.

- With regards to the other proposals, the majority of stakeholders either strongly agreed or agreed with the Council's position.
- The November 2022 Cabinet Report set out that 'Officers and the Portfolio Holder will consider responses to the consultation and a final draft strategy will then be brought back to Cabinet in February 2023 for final adoption'. Having taken into account the outcome of the second round of consultation responses, Cabinet should note there are proposed changes listed in part 2 of this report, which have been made to the draft strategy since they last considered the original draft in November 2022.
- A report scrutinising the Council's emerging Beach Hut Strategy Review has also been prepared on behalf of a Task and Finish Group, set up by the Resources and Services Overview and Scrutiny Committee. Consideration of their recommendations and the Portfolio Holder's responses are set out below in that report, for Cabinet to take into account when deliberating on the approval of the updated draft strategy.
- Should Cabinet approve the strategy and accompanying recommendations the milestones set out in Part 2 of this report will be followed.

RECOMMENDATION(S)

That Cabinet:

- (a) notes and takes into consideration the outcome of the public consultation undertaken on the draft Beach Hut Strategy, as set out in the Portfolio Holder's report;**
- (b) notes and takes into consideration the outcome of the Task and Finish Review Working Group undertaken on behalf of the Resources and Services Overview and Scrutiny Committee and their recommendations received as considered earlier in the meeting;**
- (c) in relation to (a) and (b) above, notes the changes made to the draft strategy as a result of the consultation exercise, including the process for issuing commercial beach hut leases (following the first round of consultation) and the consideration of a 'buffer period' in restricting future agreements to one per household (both set out in part 2 of this report);**
- (d) notes the proposed changes to the revised draft Beach Hut Strategy, and approves the same for adoption;**

- (e) delegates the approval of a revised Beach Hut design specification to the Assistant Director (Building & Public Realm), in consultation with the Portfolio Holder for Leisure and Tourism;
- (f) agrees the Heads of Terms for a new commercial lease (Appendix C) and delegates authorisation for the final lease agreement to the Corporate Director (Operations & Delivery), in consultation with the Portfolio Holder for Leisure and Tourism and the Head of Legal Services;
- (g) delegates agreement of an approved criteria on which applications for commercial licences can be made on to the Assistant Director (Building & Public Realm), in consultation with the Portfolio Holder for Leisure and Tourism;
- (h) agrees to set fees and charges for commercial leases at twice the value (double) of the comparative standard annual charge;
- (i) agrees to the overall principle of changing from licence agreements to leases from 1 April 2024, for a term of less than 7 years and based on the market valuation for the relevant location, recognising the increased administration and costs to all parties on leases for longer than 7 years with the respective fees and charges and detailed lease terms to be agreed by the Portfolio Holder for Leisure and Tourism; and
- (j) agrees that operational implementation of (i) above will be authorised by the Corporate Director (Operations and Delivery), in consultation with the Portfolio Holder for Leisure and Tourism and the Head of Legal Services, reflecting the resources required.

REASON(S) FOR THE RECOMMENDATION(S)

- The recommendations are made for Cabinet to adopt the Beach Hut Strategy and instruct Officers to implement the actions and principals included, with reasons set out through the report.

ALTERNATIVE OPTIONS CONSIDERED

- The option to not review the existing strategy was considered, but this was not considered viable as it is good practice to review strategic documents with wide ranging impacts. Alternative options for future agreements were also considered, which is summarised in Part 2 of the report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

This Beach Hut Strategy review contributes to the following priorities set out in the Council's Corporate Plan:

This review would support the Council's commitment to a 'growing and inclusive economy' and in particular to:

- Promote Tendring's tourism, cultural and heritage offers
- Maximise our coastal and seafront opportunities
- Support the Corporate Plan Theme of Strong Finances and Governance priority, to use assets to support priorities

The strategy would also contribute towards:

- '24 hour a day digital services', through the potential to add a new digital platform for Beach Hut customers
- 'Public spaces to be proud of' seeking to improve the aesthetics of Beach Huts and their contribution to the District's seafront offer
- Becoming 'Carbon neutral by 2030', through considering new sustainable products through a review of the Beach Hut Specification;

OUTCOME OF CONSULTATION AND ENGAGEMENT

A 'pre consultation exercise was carried out in summer 2022 for a period of six weeks and was completed by 2,673 people. A breakdown of the responses was summarised in the Cabinet Report titled 'Tendring Beach Hut Strategy – revisited', dated 4 November 2022. The draft presented to Cabinet at that time was informed by the outcome,

Following Cabinet considering the report reference above, a further consultation exercise was undertaken over a 6 week period, which ended on 8 January 2023. This was completed by 1,507 people, with 802 being residents (including local businesses) and 705 non-residents. A letter was sent to all Beach Hut licence holders to inform them of the consultation and how they could access the questionnaire. This was predominantly an online process, but provision was made for those who wished to complete the questionnaire in a paper format.

Further consultation with the various Beach Hut Associations was also carried out and an additional meeting took place following the November Cabinet Meeting. The minutes of that meeting have been included in the appendices to this report. All the points raised have been considered in the completion of this review and has informed the decision making in the Strategy. Further information has also been provided to Cabinet to inform a view on the principals of some of the changes proposed, where that is not currently available.

As with the 'pre consultation', it would be fair to say that there were strong views on both sides in relation to renting beach huts and adaptations.

Overview of Consultation

- *A total of 1507 people completed the questionnaire;*
- *802 of the consultees (53.2%) live outside of the District and 49.5% of those non Tendring residents do not hold a Beach Hut licence;*
- *The remaining 46.8% are Tendring residents and local businesses;*
- *59.1% of consultees hold Beach Hut licences (891 in total).*
- *40.9 % of consultees do not hold Beach Hut licences.*

A letter was sent to all licence holders informing them of the consultation process and how to complete a questionnaire. The opportunity to complete a paper copy was offered, if stakeholders were not able to access the online form.

On each of the points consulted on, the majority of consultees agreed with the Council's position, with the exception of four questions, which are addressed below.

Commercial Agreements

The proposal to issue commercial agreements to those wishing to rent out their huts to visitors, is in place to ensure this market is regulated, an equitable process is implemented to manage rental huts and that the Council receive best value for what is a commercial enterprise. Whilst sharing the use of a beach hut amongst family and friends was considered an entirely reasonable way of maximising the pleasure and enjoyment of beach hut ownership, commercial letting was never ever intended.

61.4% of consultees either disagreed or strongly disagreed with the proposal to issue commercial agreements and 25.1% either strongly agreed or agreed with this proposal. Of the Tendring residents completing the questionnaire 53.8% either strongly disagreed or disagreed with the Council's proposal, with 30.1% who either strongly agreed or agreed.

As with the pre consultation, it is recognised that a majority of stakeholders disagreed with the Council's position on Commercial Licences

Having reviewed the comments received by those completing the questionnaires, there were differing reasons provided by those not in favour of this proposal. A number of responders were concerned about excessive number of visitors using rented huts and resulting in disturbance to neighbours. Whereas others did not see the need for change and considered that hut owners should be able to rent their huts within the framework of the existing agreement and no additional charge.

If no change is applied to the status quo, huts may continue to be rented under the current agreement, which would not be appropriate and not in accordance with the current terms and conditions. As such, it should be noted that if a decision is taken to not introduce commercial agreements, additional resources to monitor such activity would need to be considered. As such, it is proposed to continue with opening an application process for commercial agreements to those wishing to rent out Beach Huts. Taking into account comments received during the consultation however, it is proposed to limit the number of visitors able to use rented huts in the lease agreement.

If this proposal is accepted, then rentals would only be permitted for those Beach Hut owners who successfully apply for a commercial lease. The process for inviting expressions of interest for those wishing to apply, would commence following Cabinet consideration and would be implemented

The original recommendation was for this process to be subject to an open tender process. Following the pre consultation and the comments received, it was proposed that commercial licences are issued via an application process, based on an evaluation criteria. It is important and appropriate to regulate the market for rentals and as such, it is proposed to move forward with commercial licences and that they are issued to those requesting them based on a criteria. This will cover key criteria such as accessibility and safety of huts, to ensure Commercial Lease holders are able to provide a high quality service and any agreement will consider the key points set out in the Council's Tourism Strategy. With the suggestion of a move from licences to leases, it is proposed that any new commercial agreements being issued would be through a lease. This would be in advance of the wider roll out in April 2024 and would be implemented

following Cabinet's adoption of the final strategy. The criteria would be arranged and agreed with the Portfolio Holder for Leisure and Tourism.

Together with the implementation of a commercial lease, it is recommended that a clause is included in the current licence agreement for 2023/24 to expressly prevent renting of beach huts for more than 10 days per year.

It should be noted that 115 stakeholders who completed a questionnaire expressed an interest in applying for a commercial agreement, in order to rent their beach hut.

Limiting Beach Hut Agreements to One Per Household

The reason for this proposal is to ensure Beach Huts are available to as many local residents as possible. Limiting agreements to one per household will prevent huts being purchased specifically for the purpose of renting.

48.9% of consultees either strongly disagreed or disagreed with this proposal and 38.1% of consultees either strongly agreed or agreed. Of the Tendring residents completing the questionnaire, 45.1% either strongly agreed with this proposal and 40.9% either strongly disagreed or disagreed.

In the consultation meeting with Beach Hut Associations, a request was made for a 'buffer' period to be considered on this point. This would allow any Beach Hut owner to purchase a new hut, with sufficient time being allowed for the original hut to be sold. This was considered to be a reasonable request and is within the spirit of what the Council is trying to achieve. Officers will consider if and how this could be included within the emerging lease agreements.

Addressing Beach Hut Adaptations

This proposal will ensure that any adaptations which do not conform to the revised specification (once complete) are removed in a timely fashion. Over the years, it has also become apparent that some Beach Huts breach the current specifications due to adaptations that have taken place, and that some extend beyond the stated plot dimensions, i.e. the addition of patios / balconies / decking areas, etc. It is proposed through this strategy (and following the completion of a revised specification) to work with those who have adapted their huts with large verandas, decking areas and balconies which fall outside of the new specification and agreement, to have them removed.

50% of consultees either strongly disagreed or disagreed with this proposal and 36.7% of consultees either strongly agreed or agreed. Of the Tendring residents completing the questionnaire, 45.2% either strongly disagreed or disagreed with this proposal and 40.7% either strongly agreed or agreed.

Following consideration of the comments on this matter, some stakeholders were concerned that adaptations they have either installed, or were already installed when they purchased their hut, would now need to be removed. Other stakeholders asked the Council to consider the implications of different parts of the coastline on this matter, e.g. cliff slopes at Walton on the Naze.

It is proposed to move forward with this proposal, due to the impact some of the adaptations have on the infrastructure and for safety reasons, but to ensure that stakeholder comments are

considered throughout the revising of the design specification. Once complete, consideration can also be given to ensuring a reasonable time period is agreed for those impacted.

A Move from Licence Agreements to Leases

69.1% of consultees either strongly disagreed or disagreed with this proposal and 15.7% of consultees either strongly agreed or agreed. Of the Tendring residents completing the questionnaire, 66% either strongly disagreed with this proposal or disagreed and 18.4% either strongly agreed or agreed. The District Wide Beach Hut Association representatives also expressed their opposition to this move, without further details of cost and terms and conditions being supplied.

It was made clear in both the draft strategy and the subsequent consultation process that annual charges for a lease would be higher than the equivalent for a licence. Having reviewed the comments, consultees expressed concern about increased charges and that they could be unaffordable.

Lease charges

The determination of associated charges for lease agreements would be based on an independent valuation and importantly, this would take place closer to implementation to determine the true value at that time. For Cabinet to be able to consider this matter appropriately, an example valuation for the respective lowest and highest lease cost (based on the current licence fees) has been established. This is set out in the Finance Section, to ensure due consideration can be made. Further to this, setting fees and charges are delegated to the appropriate Assistant Director in consultation with the Portfolio Holder for Leisure and Tourism. As set out in the recommendations however, the Portfolio Holder will be delegated to sign off the final fees and charges and details for the mainstream leases,

Lease terms

In addition, as Cabinet are being asked to take a decision on the principal of moving to leases and not the terms of a draft lease, consultees expressed concern over what the agreement would include. Frequent comments included, but were not limited to:

- What would happen when the lease expires?
- Would leases be able to be reassigned and as such, allow those with huts to sell?

The move towards leases would not prevent those with agreements being able to sell their Beach Hut and assign the remainder of the lease term to a private buyer, as long as their beach hut was fully compliant. The lease, is a legal interest and would be assignable to a new owner, so long as any pre-requisite conditions were met. The Lessee would need to apply to the Council for consent to assure this was compliant. This legally places the Beach Huts owners in a much more secure position, the current licences are only a personal right to use the site and are not transferrable.

The lease would expire at the end of the term however, beforehand there would subsequently be a decision regarding renewal. It should be pointed out however that this provides greater protection to security of tenure, because in principal the current licence agreements, can be terminated upon giving notice, at any time. . It will be the Council's responsibility to contact tenants six months prior to the expiry of their leases, to inform the tenants if the Council wishes to terminate their lease or grant them a new agreement. If tenants wish to enter new leases and

the Council agrees, then negotiations for new leases can commence. It is however, fairly standard practice to renew leases on similar terms, save for the rental to be agreed.

Further to the above and following the pre consultation exercise, Officers considered how the revised specification could be embedded into Beach Hut Agreements. As such, it was proposed that licences are phased out over the next year and are replaced by leases from 1 April 2024. This will include obligations for beach hut design, as set out in the revised specification.

Lease benefits

Leases will provide those with beach huts on Council land with additional security, which they do not currently have with a licence agreement. As beach huts are changing hands for very significant sums of money, lease agreements would provide protection to those making sizeable investments. Despite huts being sold for tens of thousands of pounds, licences are only a personal right and have no transferable value. It is considered that leases will help to protect the substantial investment that beach hut owners have made in purchasing the hut by increasing their security of tenure, which is not currently available through licence agreements. Further details are provided in the legal section of this report.

Leases would also provide improved legal agreements recognising the intentions between the Council and Beach Hut users. Embedding the design specification into the agreement would also support addressing the challenges with this matter which have been in existence for decades.

Independent advice received on indicative future lease charges are included in the Finance Section. This information will provide Cabinet with assurance that annual lease payments will not rise above the market rate.

Further Consultation

On a general point, stakeholders expressed the view that there are currently insufficient resources to monitor and enforce against current infringements. This would in principal be addressed by the future business plan for Beach Huts and subject to agreement would provide additional resourcing.

A Task and Finish Group from the Resources and Services Overview and Scrutiny Committee was initiated in relation to the Council's Emerging Beach Hut Strategy Review, which has met with Officers, Beach Hut Associations and the Portfolio Holder for Leisure and Tourism. They have also met with a group of Beach Hut licence holders who have been renting their huts out to visitors. A separate report has been produced (see Report A.5 earlier in the Agenda) on behalf of the Task and Finish Group, for the Resources and Services Overview & Scrutiny Committee. The Portfolio Holder for Leisure and Tourism thanks the Task & Finish Group and the Committee for their work on this strategy review and has considered their recommendations. His responses are set out below:

- a) The Committee recommends that future charges for lease agreements are set at a fair and reasonable level. This is relevant for both commercial and mainstream leases. This should also be appropriate for any new Beach Huts made available for purchase or lease in the future.

Portfolio Holder Response:

An independent valuation of prospective lease charges was commissioned, to ensure Cabinet could fully consider the recommendation for the change in Beach Hut agreements. Although this is only an indicative cost at this stage (the valuation will be considered closer to implementation), it is hoped this provides reassurance that future charges would be set at a fair and reasonable level. Furthermore, the Committee should be reassured that agreement of a future non-commercial lease and related charges would be agreed by the Portfolio Holder through an Executive Decision. This will be subject to the Council's Call in Procedure rules.

The setting of charges and respective heads of terms for a Commercial Lease are being agreed through this report. Research from other Local Authorities demonstrates that the doubling of appropriate charges for commercial agreements is fair and appropriate.

- b) It is recommended that terms and conditions included in lease agreements are fair and equitable and in consultation with Beach Hut owners.

Portfolio Holder Response:

The committee are directed to the response provided for the recommendation above.

- c) The Committee recommends that appropriate resources are put in place for administration involved in implementing the strategy. They asked for consideration be given to the subsequent cost to the Council of processing leases and that subsequent costs are reported back to this Committee.

Portfolio Holder Response:

The Committee should note that there are no financial commitments to the Council, as a result of this report. Any future additional resources will be subject to a separate report and decision. As such, they will be subject to due process, which can be reported back to the Resources and Services Overview and Scrutiny Committee.

- d) The Committee recommends that bright colours and vibrant designs be included in the revised design specification for Beach Huts, when this is produced following adoption.

Portfolio Holder Response:

The Committee should note that one of the key strands of the strategy, is to revise the current specification. It should also be noted that bright colours are referred to in the draft strategy, as below:

'The proposed revised and improved specification will provide the framework for improved aesthetics of Beach Huts. This will also ensure huts are more vibrant and visually impactful, through a move towards brighter and starker colours.'

As such, the Portfolio Holder is in agreement with this positive move to improve seafront aesthetics.

- e) The Committee recommends that there is acknowledgement of the differences in seafront locations along the Tendring District and their respective unique features, such as cliff slopes and how they impact Beach Hut design for the emerging specification review.

Portfolio Holder Response:

The points raised by the Committee are noted and will be considered in producing the revised design specification.

- f) Noting the point above, it is recommended that certain limited Beach Hut adaptations in parts of the District were included in the future specification for reasons of access, e.g. appropriate access steps on cliff slopes. This should be considered on a location-by-location basis.

Portfolio Holder Response:

The points raised by the Committee are noted and will be considered in producing the revised design specification.

- g) It is recommended that a map was attached to the emerging strategy to clearly define which land was owned by Tendring District Council.

Portfolio Holder Response:

The points raised by the Committee are noted and if approved by Cabinet, a map defining the land owned by the Council will be produced for publishing on the website.

- h) It is recommended that no Beach Hut designs should be permitted that are contrary to current or legislation.

Portfolio Holder Response:

The points raised by the Committee are noted and any statutory requirements will be addressed in production of the Beach Hut agreements.

- i) To ensure high standards were maintained on Beach Huts and their use, it is recommended that adequate resources should be in place for appropriate enforcement action.

Portfolio Holder Response:

As referred to in a previous response, there are no additional financial commitments to this strategy and as such, no additional resources are funded through this report. The Committee's point is noted and as referred to in this report, any future proposed

resources would be funded through a standalone business case under a separate decision.

- j) The Committee recommends that a reasonable timescale for adaptations to be removed which fall outside of the revised specification, is agreed. The timescale recommended is a period up to two years.

Portfolio Holder Response:

Once the revised design specification is complete, the Council will work with Beach Hut owners to ensure timely removal of any unauthorised adaptations. The timescales involved will be proportionate to the type of adaptation involved, the degree of complexity and any appropriate additional circumstances. The period of 'up to two years' recommended by the Committee is noted, but each situation will be based on a case by case basis.

- k) The Committee recommends that the Council continues to support those without access or ability to use digital platforms are still able to deal with a member of staff. As such, sufficient resources should remain in place.

Portfolio Holder Response:

The points raised by the Committee are noted and appropriate resources will remain in place to support those customers without access to digital platforms.

Finally, the Committee's comment that the 'New Beach Hut Strategy returns to the Resources and Services Overview and Scrutiny Committee for review in 12 months' time' are noted.

Note: Where appropriate, the above responses have been incorporated in the draft strategy and this covering report.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	YES	If Yes, indicate which by which criteria it is a Key Decision	X Significant effect on two or more wards Involves £100,000 expenditure/income Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	14 September 2022

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. Cases assessing principles of Section 120 of Local Government Act 1972 confirm that the Council is obliged to ensure that the management of its assets are for the benefit of the district.

Option for Beach Hut Agreements

The proposal in this report is to move away from Licence Agreements to Leases from 1 April 2024. Cabinet have the option however to maintain the status quo and continue to operate Beach Hut agreements through licences. A licence only grants a personal right to use and occupy the site and place the hut in accordance with certain conditions (see current clause 2), it is not transferrable. Some Beach Huts are being sold on the impression that the licence will be transferred to the new owner and this is not the case. An application has to be made for a new Licence and the Council has the right to refuse, especially if the Hut is not compliant with the conditions of the former licence but in particular, (see current clause 4.11) the Council has a waiting list for our Beach Hut sites. Licences offer less protection and permits the Council to make changes to terms and conditions, with minimum notice and providing notice to end agreements with 28 days' notice (see current clause 4.4.2).

A lease is a legal interest and grant of a right to the exclusive possession of land for a determinable period of time. It is important for both parties to understand the type of agreement into which they are entering. With Beach Huts changing hands for very significant values, the lease agreements would provide protection to those making sizeable investments. Despite huts being sold for tens of thousands of pounds, licences have no transferable value.

Furthermore, if licences were operated to their terms and conditions, there is no obligation on the Council to provide new licence agreements to any prospective new owner (see current clause 4.11). As such, any 'vacant' licence (following a hut sale) could be offered to those on a waiting list, held by the Council. This would be a significant risk to Beach Hut users, where as a lease would provide increased security of tenure and allow them to assign the benefit of their lease to a new owner. If a decision is taken to continue with Licence Agreements, it is important that the lack of security this provides is clearly highlighted to potential hut owners when considering a purchase.

Ultimately, it is important to ensure the correct legal status is given to the occupation of the Beach Hut sites and in accordance with the intentions of the parties.

The Land Registration Act 2002, together with the Land Registration Rules 2003, sets the categories of leases that are either compulsorily or voluntarily registrable. Section 27(2)(b)(i) of the Land Registration Act 2002 requires leases granted out of existing registered titles, that are for a term of more than seven years from the date of the grant are compulsorily registrable at the Land Registry.

These applications must be lodged in form AP1 – rule 13 of the Land Registration Rules 2003. A certified copy of the lease and the appropriate fee under the current Land Registration Fee Order must accompany the application (see [HM Land Registry: Registration Services fees](#)). The lease, if granted on or after 19 June 2006, must be a prescribed clauses lease. Further information, can be provided at the necessary time but is available on the Gov.uk website [practice guide 64: prescribed clauses leases](#). The lease must be accompanied by evidence that Stamp Duty Land Tax requirements have been met.

The Heads of Terms for the proposed Commercial Licence is appended to this report.

Further decisions would be required to implement some elements of the recommendations, if so approved and would be published, and for Cabinet and Portfolio Holder decisions, these are subject to the Call-in Procedure, as would Officers making Key Decisions.

The Council's Property Dealing Procedure, set out in Part 5 of the Constitution and determines the appropriate valuation for the type of property occupation, for Licences and Tenancies at Will, an internal Officer valuation is required and for retained Leases, interests and freeholds up to £300,000, one full external professional valuation to be obtained.

Consideration will be given in producing lease agreements, to charitable organisations allowing use of huts for non-commercial purposes. This will be considered on a case by case basis.

X	The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:
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The Monitoring Officer has been involved on the contents of the report and the ongoing review of the Emerging Beach Hut Strategy and legal advice has been taken into account throughout.

The consultation undertaken throughout the draft strategy process, has fully complied with the legal requirements for a proper consultation exercise to be carried out, as set down in case law, known as the 'Sedley Requirements', which can be summarised as follows:

- Consultation must be made at a time when proposals are at a formative stage.
- Sufficient reasons for the proposal must be given to allow intelligent consideration and response.
- Adequate time must be given for a response.
- The product of the consultation must be conscientiously taken into account in finalising proposals.

FINANCE AND OTHER RESOURCE IMPLICATIONS

It should be noted that this strategy does not commit the Council to any additional expenditure. Any option for building additional Beach Huts for sale or lease (to fund additional resources or improvements), will be brought forward as a standalone business plan in its own right for decision.

There are currently no additional resources for monitoring of conditions, but this will be addressed and proposed through a future proposal.

A formal proposal and business plan for a Beach Hut development programme will be submitted for decision following adoption of the strategy. A further report will subsequently be brought back for Cabinet consideration on this matter.

If Cabinet choose to move towards replacing licence agreements with leases, this will include an increase in annual charges, to reflect the greater security of tenure for those with huts on Council land.

In order for Cabinet to fully consider the fees and charges implications, independent advice from a property valuation expert has been requested for an indicative Beach Hut lease fee. It should be noted that this is for purposes of establishing the current position; a more detailed and up-to-date market assessment would be required prior to implementation of leases. The

advice received suggests that the increase would be in the region of 10 percent higher than licence charges at the point of change. It should be noted that fees and charges for the 2023/24 licence fees are proposed to increase by 10 percent. The decision for that change in fees is enacted via a separate report of the Assistant Director for Economic Growth and Leisure, in consultation with the Portfolio Holder for Tourism and Leisure.

Two examples of how this change may impact on annual payments are set out below. The first example is set against the lowest current annual charge and the second against the highest:

- (i) A resident with a Beach Hut at Harwich Green paying £157.25 (exclusive of VAT) in 2022/23, will pay £172.98 (exclusive of VAT) following the proposed increase for 2023/24. The indicative 10% increase for a lease in 2024/25 therefore would increase the annual charge to £190.28.
- (ii) A resident with a Beach Hut at the Walings paying £419.05 (exclusive of VAT) in 2022/23, will pay £460.96 (exclusive of VAT) following the proposed increase for 2023/24. The indicative 10% increase for a lease in 2024/25 therefore would increase the annual charge to £507.10.

Further to the above, it is recommended that commercial agreements are set at twice the value of the comparative cost, for those holding an agreement. If the lease holder is a non-resident, this would be twice that of the comparative non-resident's fee.

Beach Hut income will be reinvested back into the service, as is currently the case, with any associated expenditure being subject to separate decisions.

X	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
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There are no further comments over and above those set out elsewhere within this report.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The Beach Hut service is self-funding and this strategy does not increase costs to the Council. Any future proposals brought forward, will be done so through a standalone proposal and business plan following the adoption of the strategy. Any such report will demonstrate the financial resources required for additional resources to improve administration of the strategy. The implementation of the strategy will not be dependent on this proposal.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks,; and	The Council consulted on this strategy prior to the original consideration by Cabinet in November 2022. A further consultation process was carried out following consideration of that report.

	Further to the decisions set out in this report, Cabinet should note the series of delegations on the additional work required.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	<p>The consideration of a new digital platform will improve efficiency and management of Council resources.</p> <p>Any future procurement exercises in relation to this strategy may benefit the local economy.</p>

MILESTONES AND DELIVERY

If Cabinet accept the recommendations in the report,

- Any short term changes to the Beach Hut Licences resulting from the adopted strategy will be implemented by April 2023 and licence holders will be informed directly, providing a minimum of 28 days' notice. This will include a specific reference to beach huts not being rented for more than 10 days per year (for those who do not wish to apply for a commercial agreement).
- Those beach hut owners who wish to apply to change to a commercial agreement will be asked to provide an expression of interest. This will be assessed against a criteria, which will ensure their huts are accessible, safe and meet the objectives set out in the Council's Tourism Strategy.
- A formal proposal and business plan for a Beach Hut development programme, as set out in Appendix A will be brought forward for consideration following adoption of the strategy.
- A review of the Beach Hut specification will also be undertaken following adoption of the strategy in February 2023. This will be carried out in consultation with Beach Hut Associations and other key stakeholders.
- It is proposed that licences are replaced by leases for the remaining beach hut customers from 1 April 2024 and this will incorporate any changes to the specification. The exact roll out of this change will be determined through internal discussions reflecting available resources.

ASSOCIATED RISKS AND MITIGATION

Key Risks	Action Proposed to Manage the risk	Link to Corporate Risk Register
A lack of resources to implement the strategy in full	<i>Any future proposals to address this will be brought forward as part of a business plan, following adoption of this strategy</i>	Reputational
That fees and charges increase above what hut owners are able to pay	<i>An independent valuation will be undertaken to establish the schedule of fees and</i>	<i>Financial & Reputational</i>

	<i>charges in line with the market</i>	
EQUALITY IMPLICATIONS		
<p>The Council will need to consider accessibility and those Beach Hut Licence Holders with disabilities when considering changes to the Beach Hut Specification.</p> <p>If it is chosen to issue Commercial Agreements to those wishing to rent out beach huts, the Council will need to ensure equality considerations are addressed. It is intended to achieve this through a set of criteria, which those requesting commercial agreements will be required to comply with.</p> <p>The consultation process was open to all stakeholders to participate and although it was administered online, paper copies were made available. For the second consultation exercise, every Beach Hut licence holder received a letter, making them aware of the process for completion.</p>		
SOCIAL VALUE CONSIDERATIONS		
Any future procurement linked to this revised strategy will consider social value and the impact it can have on the local economy.		
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030		
Under the proposal to revise the Beach Hut specification document, new sustainable products will be a key consideration for improvements. The implementation of an improved digital platform to improve service and communication with Beach Hut Licence Holders, has the potential to reduce Officer travel around the District.		
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS		
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.		
Crime and Disorder	<p>The issue of Beach Hut crime and anti-social behaviour has been considered with this strategy. The Council has utilised deployable CCTV cameras on seafront locations over the last 12 months in bid to impact on criminal damage and theft on Dovercourt Seafront.</p> <p>Incidents of seafront crime may require deployable CCTV cameras to be utilised in the future.</p>	
Health Inequalities	Although this strategy does not impact directly on Health Inequalities, aesthetic improvements to Beach Huts and wider seafront locations across the District will improve public open space and contribute towards enhanced quality of life for local residents and visitors.	
Area or Ward affected	The Beach Hut Strategy and the implications of this review impacts on the entire District.	

BACKGROUND

Along the Tendring coast there are currently 3,057 beach huts directly under the operation and management of Tendring District Council. This has increased from 3,039, as reported in the original strategy. Other beach hut provision exists in parts of the District, on private land or land under the control of Town Councils.

Beach huts are an important and significant feature of Tendring life. Beach huts are prominent in the advertising and promotion of Tendring as a visitor / tourist destination. Beach huts not only offer a popular recreational activity including encouraging use of the seaside for local people. They also bring in families and visitors from outside the District. The current occupation of beach Huts in Tendring is divided 60% locally owned and 40% owned by non-residents. This figure varies from location to location with Walton-on-the-Naze attracting the greatest proportion of outside ownership.

In 2013 huts were listed in the strategy as changing hands for between £5,000 and £30,000. In 2022 however, the higher end has increased to up to £60,000 and beyond in some cases.

The introduction of further beach huts and the potential to sell or lease to meet the demand remains a key part of this revised strategy.

Beach huts are present in all coastal areas of the District and licence holders are represented by well organised local Beach Hut Associations in the following locations:

Brightlingsea Beach Hut Association

Clacton and Holland Beach Hut Association

Frinton Beach Hut Association

Harwich and Dovercourt Beach Hut Association

Walton Beach Hut Association

Historically the Council has provided an Officer to attend Association Annual Meetings and over recent years, has met regularly with representatives of all Associations in a District Wide Group. Many of the changes proposed for the Strategy emerge from these discussions.

PREVIOUS RELEVANT DECISIONS

Agreement by Cabinet to consult on the draft Beach Hut Strategy - November 2022

Adoption of the 2013 Beach Hut Strategy – October 2013

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – Beach Hut Strategy Revisited & Consultation Response

Appendix B – Beach Hut Strategy Overview

Appendix C – Draft Heads of Terms for Commercial Agreements

Appendix D – Minutes of Consultation Meeting with District Wide Beach Hut Associations

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