PORTFOLIO HOLDER FOR LEISURE AND PUBLIC REALM

February 2024

REPORT OF THE ASSISTANT DIRECTOR BUILDING AND PUBLIC REALM

A.1 Operations and Delivery / Building and Public Realm / Property & Projects / Beach Huts – Proposed Fees and Charges for 2024/25

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek the Portfolio Holder's concurrence to the proposed schedule of fees and charges 2024/25 for Operations and Delivery / Building and Public Realm / Property & Projects / Beach Huts.

EXECUTIVE SUMMARY

- This report sets out a proposed 7% increase to fees and charges for 2024/25 for Operations and Delivery / Building and Public Realm / Property & Projects / Beach Huts. They continue to be considered against a number of key principles that form part of the long term financial forecast approach which are summarised later on in this report.

- An increase of the fees for the small number of huts rented out on a weekly basis is also proposed, to bring these more in line with other short term lets and provide a budget for their maintenance.

- Any amendments to income budgets that are required to reflect changes to fees and charges will be included within future budget reports during 2024/25 that will be considered by Cabinet..

RECOMMENDATION(S)

That the Schedule of Fees and Charges 2024/25 for Operations and Delivery / Building and Public Realm / Property & Projects / Beach Huts set out in Appendix A be agreed.

REASON(S) FOR THE RECOMMENDATION(S)

To enable the implementation of a revised fees and charges schedule for 2024/25

ALTERNATIVE OPTIONS CONSIDERED

Please see the considerations / reasons behind the proposed fees and charges later on in this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
The forecasting and budget setting process, including fees and charges, will have direct implications for the Council's ability to deliver on its objectives and priorities. The Corporate Plan places priority on taking pride in our area, promoting clean and tidy communities. It also champions the local environment in creating and maintaining spaces for leisure and access to open spaces. Investing in improved maintenance and enhancements of our beach hut and seafront areas feeds into these priorities, promoting health and greater community wellbeing.
OUTCOME OF CONSULTATION AND ENGAGEMENT
Having consulted with the Portfolio Holder for Leisure and Public Realm, he advised he would like the fees to be increased by 7% broadly in line with inflation, rather than the 10% that was suggested in the Beach Hut Strategy adopted in April 2023.

LEGAL REQUIREMENTS (including legislation & constitutional powers)			
Is the recommendation a Key Decision (see the criteria stated here)	**NO**	**If Yes, indicate which by which criteria it is a Key Decision**	☐ **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)	N/A

The arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The previous legislation defining the arrangements for charging, collecting and pooling of Business Rates was contained within the Local Government Finance Act 1988. These have both been amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The power to charge is set out in the Local Authorities (Goods and Services) Act 1970 and the Local Government Act 2003 – Section 93. The latter gives best value authorities the power to charge for discretionary services, provided the authority has the power, but no statutory duty to provide that service and the recipient of the service agrees to the authority providing it. It should only be on a cost recovery basis. The weekly rentals would fall under these provisions.

Under Para 4.4.1 (8) Part 3.4 of the Council's Constitution, all Assistant Directors, in consultation with the relevant Portfolio Holder, Management Team Member and the Assistant Director (Finance & IT), are authorised to decide the level of the annual discretionary fees and charges for their service (including any in-year changes that may be required) for inclusion within the Council's corporate schedule of fees and charges. Following the above consultation, an Officer decision must be published.

☐	**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

As some of these fees relate to the use of Council land to site a Beach Hut, through either a licence or lease, this is not regarded as providing a service therefore, the Council is relying on different powers. In this case, Section 123 Local Government Act 1972 provides the Council with the power to dispose of land held by them in any manner they wish.
Subsection (2) states a council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained. This does not however, prevent the Council in seeking to achieve consideration on the market value.

Beach Hut leases fall within the definition of short term tenancy. In the case of Gilpin v. Legg [2017], it was considered whether beach huts situated on plots of land were being occupied under a licence or a periodic tenancy under a lease, and therefore if the landowner was entitled to possession of the land. The court declared that the beach huts were occupied under annual periodic tenancies. The case is a good reminder of the difference between a lease and a licence and that form of a lease does not matter if the arrangement has exclusive possession for a fixed or periodic term with rent.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Given the significant on-going financial challenges faced by the Council in 2024/25, a key underlying principle is to consider inflationary increases wherever possible to support corresponding increases in the Council's own costs in delivering the associated service(s), whilst also recognising the restrictions placed on local authorities in terms of setting fees and charges as set out within the legal section above.

Any changes to income budgets resulting from the proposed level of fees and charges agreed, should form part of the detailed budget setting process for 2024/25. It is also recognised that there may be advantages to allocate some or all of any additional income to associated investment / expenditure, which will now also need to be considered in year, as the budget has already been set for 2024/25.

Beach Hut fees were increased by 10% on the 1 April 2023, at the same time the new Beach Hut Strategy was implemented. At that time, it was intimated that fees for 1 April 2024 should also increase by 10%. Since this time, both the Cabinet and Portfolio Holder have changed and the new Portfolio Holder would like to see this increase set at 7%. Income generated from beach huts above the budget set, is put into a seafront improvement fund. A number of seafront improvements or projects that could be paid for from this fund, subject to future decision, are set out later on in this report.

TDC has 3 beach huts, two of which are accessible, that are let on a weekly basis between May and September. These huts brought in £2,866.91 last year, this covered cleaning and administration costs and a small amount of maintenance, however the huts are in need of full maintenance, preferably replacement. The proposed increase in weekly rental fees, will enable a maintenance fund for these huts. The proposed fees, whilst a significant increase on last year's fees, are still comparible, or in some cases lower than other huts being rented privately in the Clacton/Holland area.

☐	**The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

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;	Please see relevant comments elsewhere in this report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
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.	

MILESTONES AND DELIVERY

Fees and Charges for 2024/25 form part of the wider budget setting process, which culminates in the detailed estimates being presented to Full Council. Fees and Charges must therefore be approved in advance of this. As these fees and charges have not been approved as part of that process, any impact on the budget will be addressed in year through financial reports presented to Cabinet.

ASSOCIATED RISKS AND MITIGATION

No specific risk has been identified in increasing fees and charges as proposed.

EQUALITY IMPLICATIONS

No implications identified

SOCIAL VALUE CONSIDERATIONS

No implications identified

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030

No implications identified

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	No implication identified
Health Inequalities	No implication identified
Area or Ward affected	All

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Income from fees and charges form an important element of the budget and the financial sustainability of the Council.

Similarly to previous years, Departments have been asked to review their fees and charges on an individual basis as changes may need to be made to meet specific aims or strategic objectives or in some cases in response to external factors such as market forces.

The review of fees and charges has been set against the following key principles:

- general inflationary increases where possible or lower where appropriate / justified
- amounts rounded for ease of application, which may result in a slightly above inflation increase.
- on a cost recovery basis as necessary
- reflect statutory requirements.
- increases where market conditions allow
- to meet specific priorities or service delivery aims / objectives

As highlighted earlier in this report, the Council continues to face a number of significant financial challenges in 2024/25 and beyond. It is therefore important that fees and charges are considered against this context and to maximise income opportunities where possible, albeit whilst balancing the various issues highlighted above.

Income budgets included in the detailed estimates will reflect any required changes from the proposed fees and charges set out in this report.

OPERATIONS AND DELIVERY / BUILDING AND PUBLIC REALM / PROPERTY SERVICES - PROPOSED FEES AND CHARGES 2024/25

Set against the current fees and charges for 2023/24, **Appendix A** includes the schedule of fees and charges proposed for 2024/25, which have been developed by applying the key principles highlighted above.

Beach Hut Service costs

Item	2023/24	2024/25
Cost of service as budgeted	£358,140	£358,140
Total Income as budgeted	£1,099,040	£1,175,972
Difference	£740,900	£817,832

The above table reflects the current budgets for the direct operations of the beach hut service. Beach hut income taken in to the Council's finances centrally, is also used to support a portion of the budgets for other seafront services that benefit beach hut owners, for example seafront toilets, taps, gates, promenade maintenance etc.

If any income is brought in above the budget amount which is allocated as discussed above, it is set aside into a seafront improvements budget, which can be used to pay for larger seafront projects. Significant investment is currently required in seafront areas, a lot of which directly affects beach hut sites, or beach hut users. The table below sets out projects, some of which have estimated costs against them. Which projects are carried out and when, will be the subject of further decisions.

Project	Detail	Estimated Cost (if available)
The Leas, Frinton replacement stagings	Estimated based on the recent cost to replace the stagings under 12, with 150 still to do.	£521,000
Eastcliff, Walton cliff instability and retaining wall failure	Estimated cost of work, based on one scenario – others are being explored. This has so far affected 17 beach hut sites, but unaddressed will start to affect more.	£800,000
Southcliff, Walton – steps and footpath repairs	Estimated cost of work	£120,000
Eastcliff, Walton – sea wall and promenade repairs	To include facia shuttering and cementing to address voids and cracking and resurfacing	No cost estimate yet

	of the footpath (provides only access to a long stretch of beach huts)	
Low Wall, Frinton, cliff instability	Retaining wall is starting to encroach on a small number of beach huts	No cost estimate yet
The Walings, Frinton replacement stagings	This will be required in the short term (1-3 years)	No cost estimate yet
Southcliff, Walton cliff slip	Retaining wall needed to stop cliff slip on to beach huts	No cost estimate yet
Dovercourt, West End, replacement light columns	One column has been completely removed as it was corroded on the bottom an needs to be replaced, there are others along the stretch that also need replacing – solar lights may be an option here	No cost estimate yet

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

NA

APPENDICES

Appendix A - Detailed fees and charges 2023/24 for Operations and Delivery / Building and Public Realm / Property & Projects / Beach Huts

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