

PORTFOLIO HOLDER FOR LEISURE AND PUBLIC REALM

17 March 2025

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 2025/26

(Report prepared by Jennie Wilkinson)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek the Portfolio Holder's concurrence to the proposed schedule of fees and charges 2025/26 for Operations and Delivery / Building and Public Realm / Property & Projects / Beach Huts

EXECUTIVE SUMMARY

- This report sets out the proposed fees and charges for 2025/26 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.

RECOMMENDATION(S)

That the Schedule of Fees and Charges 2025/26 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 2025/26.

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. At its heart, the 10 year approach to the forecast seeks to establish a sound and sustainable budget year on year where maximising income, including income raised from fees and charges, will continue to be an important element of this approach.

OUTCOME OF CONSULTATION AND ENGAGEMENT

The Portfolio Holder is comfortable to increase fees by 2.5% in accordance with the 12 month CPI percentage increase as at December 2024, in accordance with the fee increase terms set

out in the proposed beach hut leases.

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

These decisions are to record the Schedule of Fees and Charges for Executive functions only.

The general power to charge is set out in the Local Authorities (Goods and Services) Act 1970 and the Local Government Act 2003 – Section 93 respectively. The latter also requires that charges for discretionary services should be on a cost recovery basis. Trading powers can only be exercised through a separate company and are not relied upon for the purposes of this report.

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.

Under Schedule 3 of the Council's Constitution - Responsibility For Executive Functions - Para 4.4: Delegation of Executive Functions to Officers - General Responsibilities Delegated To Officers 4.4.1 (8) Part 3.45 of the Council's Constitution, all Assistant Directors, in consultation with the relevant Portfolio Holder, Management Team Member and the 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.

Fee and Charge	Legislative Power Being Relied Upon
Beach Hut Site Fees	Section 123 Local Government Act 1972. This is the same legislative basis on which these fees and charges were set last year.

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

FINANCE AND OTHER RESOURCE IMPLICATIONS

Finance and other resources

Fees and Charges have been reviewed against the key principles that underpin the long term forecast, which includes the generation of income whilst balancing strategic and external market conditions.

Given the significant on-going financial challenges faced by the Council from 2025/26, 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). Although set against the current inflationary environment, any proposed increases in fees and charges must be balanced against other considerations / market conditions, whilst also recognising the restrictions placed on local authorities in terms of setting fees and charges as set out within the legal section above. Further details relating to any proposed increases to fees and charges is set out below.

There are no proposed changes to the budget over and above those adjustments already included within the 'base' budget that was agreed by Full Council in February 2025.

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

There are no significant comments over and above those already set out within this report.

The demand / volumes used to calculate figures included within this report are those provided by the service and any changes over time will need to be reflected within regular financial performance reports and other financial reports / forecasts as necessary during the year.

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.	

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 2025/26 form part of the wider budget setting process.	
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 implications identified
Health Inequalities	No implications identified
Area or Ward affected	Various

PART 3 – SUPPORTING INFORMATION

BACKGROUND
Income from fees and charges form an important element of the budget and the financial sustainability of the Council as highlighted earlier. 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 2025/26 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.

OPERATIONS AND DELIVERY / BUILDING AND PUBLIC REALM / PROPERTY AND PROJECTS / BEACH HUTS - PROPOSED FEES AND CHARGES 2025/26

Set against the current fees and charges for 2024/25, **Appendix A** includes the schedule of fees and charges proposed for 2025/26, which have been developed by applying the key principles highlighted above.

In finalising the proposed fees and charges for 2025/26, the table below sets out a summary of the associated review:

Element of This Year's Review	Comments
1. Background to the annual review process and reasoning behind the fees and charges proposed.	The proposed new draft leases adopt the basis of annual CPI increases calculated from December of the previous year. This year's proposed fee increase is on this basis, with the CPI percentage increase calculated from December 2024 being 2.5%
2. Is the Associated Service Subsidised in 2024/25. (i.e. is there a budgeted deficit for the service the fee and charge relates to)	No. The beach hut service brings in a surplus to the Council, with the budgeted income taken into the Council's finances centrally to be used to support a portion of the budgets of other seafront services, for example seafront toilets, taps, gates, promenade maintenance etc. Any income brought in above the budgeted amount is set aside into a seafront improvements budget, which can be used to pay for larger seafront projects. Spend on this budget for projects is subject to decision by the relevant Portfolio Holder.
3. Expected impact of the proposed fees and charges on the budgeted income position.	Because of the difference in cost between resident and non-resident fees, as well as the unknown number of new licences/leases issued on the sale of a hut, it is not possible to know the exact amount of additional income that will be achieved. However, 2.5% of the income received for beach huts this year is around £30,200.00 and therefore the increase in income for 2025/26 is likely to be in this region.
4. Is it proposed to use of any additional income raised?	Income will continue to support the wider seafront amenities etc. as highlighted above. It is also important to highlight that the charges proposed are effectively 'property' transactions and therefore outside of the cost recovery restrictions imposed by the Local Government Act 2003 – Section 93 respectively. Income from these charges totalling £100k has been included within the Council's wider base budgets for 2025/26 as part of its

savings and efficiency plans.

5. Impact on the Net Budget

Budget Line	2024/25	2025/26
Expenditure	£290,880	£344,870
Income	(£947,940)	(£1,052,440)
Net Position	(£657,060)	(£707,570)

Please see points 2 to 4 above in terms of the application of budget surpluses generated.

6. Other important issues to highlight.

None

PREVIOUS RELEVANT DECISIONS

Beach Hut Strategy adopted in April 2022.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

N/A

APPENDICES

Attached – Detailed fees and charges 2025/26 for Operations and Delivery / Building and Public Realm / Property and Projects / Beach Huts

REPORT CONTACT OFFICER(S)

Name	Jennie Wilkinson
Job Title	Property and Projects Manager
Email/Telephone	jwilkinson@tendringdc.gov.uk 01255 686935