

Request for Portfolio Holder Decision

Report to: **Portfolio Holder Coast, Country and Environment**



Date February 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release

Price Increases for Beach Huts and Beach Hut Sites 2021-2022

Report summary:

The purpose of this report is to set out any proposed price increases for Beach Huts and Beach Hut Sites for the forthcoming season/ financial year 2021-22.

Recommendation:

- 1. In light of the unprecedented situation in 2020, and to aid Covid 19 recovery, we propose that no increase is imposed this year.**
- 2. In Budleigh, no longer provide short term lets via the TIC and offer them as EDDC sites for long term rental.**

a) Reasons for Recommendation

As many of our tenants have struggled with finances during 2020 we have frozen our prices at the 2020-21 level.

The huts we use for the short term lets in Budleigh are in dire need of renewing, this has significant cost implications for the council. By turning the short term lets into sites, we will be saving money, generating a constant income and reducing our waiting lists.

We feel this is a reasonable approach to managing the beach hut sites and is fair to all our council tax payers.

b) Alternative Options

Increase rental charges.

Invest in repairing TIC huts, to continue to offer short term lets

c) Risk Considerations

. There may be objection from the public. This has not proved significant in previous years and nearly everywhere waiting lists remain high.

d) Policy and Budgetary Considerations

It is the Council's policy to review the beach hut and beach hut site rentals each year.

e) Date for Review of Decision

The date of the next review will be January 2022.

f) Date by which the Decision of the Portfolio Holder is required

February 2021

Officer: Andrew Hancock, Service Lead, Streetscene

Financial implications:

The financial implications of the proposed prices increases are contained in the body of the report.

Legal implications:

There are no comments from Legal Services, arising from this report.

Equalities impact Low Impact

Climate change

Risk: Low Risk;

Links to background information

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

1. The charges for the Council's beach huts and beach hut sites are normally increased on April 1st every year.
2. Freeze rental charges for 2021-22.
3. We wish to no longer offer short term lets at Budleigh, this is mainly due to the huts needing repairs and the cost of having to pay for storage for each hut.
 - 3.1 By offering the short term lets as site, we will receive an income of £5817.42 per year if all hut are let. By offering additional sites, we will also help to reduce the current waiting list.
 - 3.2 The short term lets income can vary each year, depending how busy they are, in 2019 we generated £9818.00. There was also a lot of Operative time used, as we had one team and our maintenance technician putting up the huts at the start of the season, and removing them at the end of the season, this cost has not been accounted for.
 - 3.3 If we were to continue to offer short term lets, we would have to invest in new beach huts. We contacted lots of companies for quotes, however only received 4 reply's. The quotes are:
 - Tobys Sheds - £15,456
 - CP Sheds - £13,584
 - Sheds Direct - £15,408
 - Precision Decking – Could not match quotes
 - 3.4 If we were to continue to offer short term lets we would have to pay for storage and account for Operative time, if we set up and took the down the huts in house at the start and end of season. Quotes for 2021 are:
 - Exmouth Indoor Storage - £3,600
 - Budleigh Indoor Storage - £2,700 for dry storage only
 - Budleigh Indoor Storage - £4,200 for take down, dry storage and set up (preferred option to save Operative time)
 - 3.5 If we maintained the very variable income from short term lets of £9818.23 and had to pay for storage, our income would be £5618.23.

Proposed price increases for 2021-22

Location	Hut/Site	Number Of Huts/Sites	Season Cost 2020-21 Ex VAT	Season Cost 2021-22 Ex VAT	NNDR To be confirmed by the VOA	Potential Turnover 2021-22 Exc VAT
Beer	Site E & W	42	655.76	655.76		27,541.92
	Site ES	12	928.46	928.46		11,141.52
Budleigh	Large Site	103	518.33	518.33		53,387.99
	Small Site	38	451.24	451.24		17,147.12

	Concession TIC (Seasonal) Change to site for 2021-22	6 Large	15% com from Budleigh TIC	518.33		Max 15% com	3109.98
	Concession TIC (Seasonal) Change to site for 2021-22	6 Small	15% com from Budleigh TIC	451.24		Max 15% com	2707.44
Exmouth Chalets		20	2192.37	2192.37			43,847.40
Exmouth	Brick Hut inc winter period	68	1063.72	1063.72			72,332.96
Seaton	Site	123	507.51	507.51			62,423.73
Sidmouth	Timber Hut Seasonal	24	1084.28	1084.28			26,022.72

The above charges for 2021 if maintained, and we approved the TIC huts to turn into sites will generate a gross income of approximately £319,662.78 and some of this would need to be used for site preparation and maintenance.

Portfolio Holder's Decision

(note that under the Constitution this may not be a key decision)

A Portfolio Holder may not take a decision on a matter in which s/he has a disclosable pecuniary interest (see Code of Conduct) unless the appropriate dispensation has been obtained from the Monitoring Officer or Standards Committee.

Any conflict of interest of any other member of Cabinet consulted by the Portfolio Holder must be recorded together with the Head of Paid Service's dispensation.

Decision: Agreed

Reason: Follows Council Plan Policy

Signed: Cllr Geoff Jung

Date: 16.03.2021

Has a dispensation for disclosable pecuniary interest of Portfolio Holder granted by Monitoring Officer/Standards Committee?

Choose an option

If yes, please include a copy with this report.

Is there any conflict of interest* of any other Cabinet Member consulted?

No

If yes, please [Click here](#) to give detail of the conflict of interest.

If yes, please also indicate if you have a dispensation granted by Head of Paid Service (Chief Executive) for that conflict of interest:

Choose an option

If answering yes to a dispensation being granted, please include a copy with this report.

* A conflict of interest can be any interest which conflicts (or may reasonably be perceived to conflict) with that members' duty to take decisions only in the public interest in the light of material considerations. It is therefore much broader than a pecuniary interest. If you are in any doubt, please seek advice from the Democratic Services Team or the Monitoring Officer.

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Call-in period begins at [Click here](#) to enter date and time.

Call-in period ends at [Click here](#) to enter date and time.