

**Canterbury City Council
Short Topic Scrutiny Review**

**Beach Huts
Final Report**

February 2009



1. Introduction

The Scrutiny Management and Review Sub-Committee approved a short topic review into the Beach Huts in December 2007. The panel consisted of:

- Councillor Davis – Chairman
- Councillor Matthews
- Councillor Parry
- Councillor Wratten

A small team of officers supported the review and other council officers gave their time as witnesses and provided data.

The panel's task was to hold a series of meetings to investigate the running of beach huts, make initial recommendations and indicate where further work could be done. The terms of reference for the review are set out in the review scope at Appendix A.

The panel examined the beach huts service provided by the different sections of the council, and considered:

- Leasing arrangements
- Whether extra huts are required
- Charging and financing
- Crime and disorder
- Street scene issues
- A long-term beach hut strategy

As a short topic review dealing with complex issues, some of which require co-operation with other organisations, the findings and recommendations could lead to more detailed work through viability studies or further officer and member groups.

The panel would like to thank the witnesses for their co-operation and insight, which has ensured the review, has been constructive and informative.

2. Beach Huts background¹

Beach huts go back more than 250 years, from the bathing-machine on wheels of the nineteenth century to the first static huts of the inter-war period and the beginning of the beach hut we know today.

Beach huts have experienced phases of popularity throughout their history. Today there is a high demand for them and this is reflected in the high prices paid when they are sold on the open market.

Many coastal towns in Britain have collections of beach huts. The councils of some of these resorts were contacted as part of the review.

Beach Huts in the Canterbury District

The main suppliers of beach hut sites in the district are:

- Canterbury City Council
- Whitstable Harbour Board
- Whitstable Oyster Fishery Company
- Seasalter Shellfish (Whitstable) Ltd

The locations of the main groups of huts are shown on the map attached at Appendix B.

¹ For a more in-depth history of Beach Huts see: “A Brief History of Beach Huts” by Dr Kathryn Ferry on www.beach-huts.com.

Canterbury City Council beach huts

Canterbury City Council has 630 beach hut sites comprising 12 at Long Rock, 41 at Marine Crescent, 329 at Tankerton and 258 at West Beach, Herne Bay.

Currently, the sites are let subject to an agreement, which is described as a "License Agreement for a Beach Hut Site". This is attached at Appendix C.

The basic terms of this license are as follows:

- Parties: Canterbury City Council and the licensee
- Property: Beach hut number
- Rent: License fee payable per annum
- Term: The licence is for one year commencing 1st April

The actual ownership interests of the tenants are limited to and comprise the physical beach hut erected on the land. They do not have any long-term rights over that land. The cost of a brand new cedar wood beach hut erected on site ranges from £2,000 to £4,000. The reasonable life expectancy of a beach hut is in the region of 25 years and the value of the actual beach hut will reduce throughout its life.

Non Domestic Rate (NDR) is payable on Beach Huts. This is included in the rent invoice sent to all hut owners. NDR is paid on 1st April.

Hut owners who pay council tax to Canterbury City Council are described as 'residents' and they currently pay a lower rental charge than 'non-residents', whilst 'long-term' residents pay a reduced rent. 'Long-term resident' is defined as a resident who has owned a beach hut for more than 15 years and is in receipt of a state pension.

The charges as at 1 April 2008 are outlined below.

West Beach Herne Bay	Rent (inc VAT)	Est No.
Residents/C Tax	263	192
Non resident	374	17
Long term resident	140	39
Tankerton/Whitstable		
Residents/C Tax	350	219
Non resident	483	147
Long term resident	170	16

The beach huts that are managed by Canterbury City Council are privately owned and as such are bought and sold on the open market. They are

advertised for sale through estate agents and auctioneers, in local newspapers and notices on the huts themselves.

To transfer the ownership of a beach hut to another person, a letter must be sent to Foreshore Services outlining the details of the sale i.e. the number of the hut being sold, the new owner's name, address and telephone number. Until this is received the licence will not be transferred and new ownership will not be recognised by the council.

There is a one-off administration fee payable by the person buying the hut. This fee is currently £81 and must be paid before a licence is issued showing the new owner's details.

The size and shape of council huts are governed by two standard hut plans, which have been in existence for some time. These are attached at Appendix D.

The licence governing beach hut ownership was last reviewed in 2004. In addition to the standard ownership details, it contains clauses relating to:

- The design and size of a hut
- Keeping the hut in good repair
- The requirement to seek Foreshore Services approval for any changes to the hut
- The council's exclusion of any liability for damage to huts
- The fact that the hut agreement is a licence and not a tenancy – the council continues to own the land and the licensing arrangement bestows no security of tenure
- The storage of flammable materials in beach huts is prohibited

The licence does not include provisions relating to:

- Forbidding overnight stays in the hut
- Requiring licensees to have hut insurance

Whitstable Harbour Board

Whitstable Harbour Board manages 22 beach huts.

These huts are provided by the Harbour Board for a yearly fee/consideration at a rate of £1,503 + VAT (front row) and £1,053 + VAT (back row) per hut. The hut owners pay NDR individually and directly.

The huts are around the same size as other "Whitstable" type huts at 9 x 9 feet plus a veranda of 3 x 9 feet. The huts do not have lighting, water or parking, although they do benefit from the Harbour's limited CCTV coverage.

A comprehensive yearly licence agreement, incorporating most of the matters included in the standard council licence, covers the harbour huts. In addition,

the licence includes clauses prohibiting overnight stays. The licence does not permit the hut licence to be assigned to anyone else.

Private hut providers in Whitstable

The Whitstable Oyster Fishery Company owns 60 beach hut sites. The company does not charge any fee on a hut sale apart from an administration charge. These huts are licensed on a similar basis to the Harbour Board and council huts, i.e. the hut owner rents the plot their hut is sited on.

Seasalter Shellfish (Whitstable) Ltd run a number of huts on the West Beach at Whitstable. They operate similar licence conditions to the Whitstable Harbour beach huts, specifying hut size (10 x 10 ft), how the hut should be secured and that a transfer fee of £2,500 + VAT is paid to Seasalter Shellfish in the event of a sale on the open market. A sale to a family member does not attract this fee.



Seasalter Shellfish huts on West Beach (left) and Whitstable Oyster Fishery Company huts at Whitstable Harbour

3. Conduct of the scrutiny review

The review panel held a series of witness sessions with council officers involved in providing the beach huts service and external stakeholders such as the beach hut associations, police and local societies. Written submissions were taken into account and there were site visits to the main hut locations.

4. Witness panel sessions

Beach Huts Service

The review panel first heard evidence from council officers who have responsibility for beach hut services.

Although the events and facilities manager has the oversight role for beach huts, the main liaison for hut owners is through the council's Foreshore Services. Foreshore inspectors undertake patrols each day and although these patrols are not carried out specifically for beach huts, the Inspectors do check to ensure the huts are kept in good repair. They can also give hut owners advice on any problems they may have.

It was also suggested that it was important to keep a perspective over the question of cost. The cost of owning a beach hut in the 1950's took a similar proportion of income as it does today. Ownership of a hut was always a 'luxury item' for most families. However, the cost would always be subject to supply and demand within prevailing market conditions.

At the time of the review market conditions meant that demand for beach huts was at a high level. The Foreshore Service was investigating the provision of more huts on 'infill' sites, such as Tankerton slopes or in the Hampton area. It was suggested by the panel that other sites might be suitable, such as East Cliff, Herne Bay, where in the past there had been huts on two levels, of both concrete and traditional wood construction until the 1960s.

The panel also felt that the provision of extra huts was an opportunity for the council to secure good quality huts to rent out for a reasonable charge. This would help the problem of under-supply and generate income for the council.

The panel also heard from the coastal town centre managers, who agreed that beach huts made the towns more attractive. However, they were aware of some issues regarding charging, and owners who were concerned about vandalism to huts.

Community Safety

The panel heard from representatives of the Public Safety Unit, including the police officer responsible for the Harbour and Swalecliffe area, who was familiar with the beach hut areas as they were a regular part of his patrol.

The main problems of vandalism and anti-social behaviour tended to be seasonal. Much of the damage, such as hut balustrades being taken and used for firewood, was caused during the holiday season. In some areas such as Tankerton Slopes, which are not well-lit, there was an ongoing problem of large groups of youths congregating.

It was suggested that some hut owners did not report many incidents of vandalism, whilst others did. The beach hut associations do provide community safety information in their newsletters, encourage their members to report crimes and e-mail the police incident reports. The reporting of all incidents was vital, as it would generate evidence to justify more attention from community safety officers.

Community safety issues were discussed at the local PACT (Police and Communities Together) panel. It was felt that the council's Foreshore Services should be represented at the PACT panel to ensure that the work of foreshore inspectors and police was co-ordinated to the best effect.

The community safety manager said that better information was key to ensuring that any enforcement action was effective. Liaison is usually through the hut owners associations, but not all hut owners were members of an

association. Therefore measures such as leafleting all hut owners with relevant information such as telephone numbers and advice may be necessary, to ensure that incidents are reported. This will generate evidence to justify increased enforcement around beach hut areas.

Finance

The panel also considered the routine financing of beach huts. Figures were circulated to show that this cost consisted of the beach hut site rental and an amount for Non Domestic Rates (NDR). In future, hut owners will be encouraged to pay via direct debit, in-line with the council's policy.

The panel was keen to establish the position in regard to differential charging and the make up of the overall charge. The panel considered the council's legal position at the time, that it should not differentiate between residents and non-residents in rental charges. The charges were being adjusted to reflect this with a goal to bring the charges into parity. However, as a result of challenges to this approach, legal advice was sought and the council revised its position. This is considered later in the report.

Beach huts are divided into 4 rateable "blocks" for NDR purposes. The NDR payment is currently included in the overall rental charge. This is unusual as it falsely deflates the rent charged by the council, and hut owners may not be paying the correct NDR rate. The panel felt strongly that the NDR Bill should be separate from the rest of the charges in the interest of transparency, and to enable hut owners to apply for any discounts or rating relief that might be available.

In terms of other charges, the question of the cost of transfer of ownership (administration fee) and possibility of a premium charge was explored. The panel felt it reasonable for the council to charge a sum of money to reflect the costs incurred in the transaction. Changing the licence to include a premium charge on a hut sale price would require a change in the licence.

The issue of this and other licence changes are dealt with later in this report.

Street Scene

In terms of street scene issues, residents and hut owners sometimes complained about dog fouling, cycling on the promenade, litter and the standard of grass cutting near to some beach hut sites.

Unlike the private sector hut providers, the council provides litterbins and water taps and services the public conveniences that are near to some locations.

However, because of the seasonal nature of beach huts use, refuse generated at the peak periods in the holiday seasons frequently overwhelms the available bins. The panel suggested that larger bins should be provided to cope with seasonal peaks. The Street Scene division could provide additional

capacity at these times in much the same way it does for student households at the end of term.

More water taps could be provided, but this would require identification of suitable locations and laying of pipes. There would also be an increase in the associated maintenance budget and utility charges. The associations consider that resources would be better directed toward ensuring the existing taps work throughout the year, rather than provide new ones.

The council already carries out grass cutting and any additional service would result in extra cost to the council. This would also have to be recovered through an increased charge.

Graffiti can be removed from huts free of charge, subject to a disclaimer being signed by the hut owner. However, most owners were not aware of this service provided by the council. It may be advisable to set out the component charges (e.g. grass cutting, bin emptying, water etc) that make up the rental payment.

Recommendation 1

That housekeeping information, setting out what services are available, together with relevant community safety contact details should be sent out each year with the yearly beach hut paperwork.

Numbers and design

Council beach huts broadly cover two designs:

- A Whitstable hut measures 10 feet by 10 feet including 4 feet of (covered) balcony.



Beach hut design at Tankerton, Whitstable (left) and Herne Bay

- A Herne Bay hut is nominally 6 feet wide by 9.5 feet front to back, this includes a 'deck' of 2.5 feet.

However, these standard designs date back many years. In many cases at Whitstable, changing site levels and inclines mean huts frequently have access steps that sit outside their footprint. The standard drawing for Herne Bay shows an open deck. The majority of huts do not have this as the deck is normally covered by the forward extension of the roof that often provides high-level storage. Some Herne Bay huts have one or two steps usually straight onto the shingle.

It would seem that many of these changes were in direct contravention of the licence document, which requires hut owners to seek permission from the foreshore manager. Enquiries suggested that in some cases this was given, but no central record exists of these permissions.

With this background, it would be difficult to enforce any standard design on the current beach huts, despite the importance of the visual appearance and aesthetics of huts to some of the witnesses who took part in the review. The beach hut policy needs to give clear guidelines on the standard hut design for different locations.

Recommendation 2

For alterations of existing huts or construction of new beach huts the standard 'Whitstable' and 'Herne Bay' beach hut designs should be redrawn. Beach huts should comply with the traditional beach hut shape but need not be of the same design in terms of detail.

Panel members also considered alternatives to the current huts. They discussed portable huts or huts that could be assembled for a season and dismantled for the winter months.

It was felt that whilst temporary huts constructed to the same standard as existing huts would help meet seasonal demand, any rental gained from such huts would have to be balanced against the transport, maintenance, storage costs incurred and reduced life expectancy of the asset. There would also be the risks associated with flooding to consider.

Whitstable Harbour Board Huts

Officers supervising these huts told the panel that the rental situation for the 22 huts was strong, despite the hut charges being more than double the highest council rent and a lack of water or refuse facilities. Currently the vacancy rate was 1.5 huts per year.



The panel found that the Harbour Board seemed confident that it could rent more huts out on the same basis and is investigating building a further 8 huts adjoining the current group on Whitstable beach. These would be subject to the need to obtain funding approval from the Executive, health and safety rules, planning consent and the performance of the market over the coming season. In the interim, the Harbour Board will be investigating alternative designs for additional beach huts.

5. Stakeholder sessions

The panel held consultations with key stakeholders, to hear their views on the beach huts service. Views of members of the Whitstable Society, beach hut owners associations, ward councillors and local residents were heard.

Although everyone agreed that beach huts were a crucial social, economic and environmental amenity for the coastal towns, there were differences in opinion regarding the way forward for the service.

The main issues can be set out under four headings:

- Hut sales and charges
- Number of huts and the possible increase in numbers
- Vandalism, graffiti and anti-social behaviour
- Terms and conditions

Hut sales and charges

For some people, the fact that the council owned the land is an important consideration when looking at any future approach to licensing beach huts by the council. The current position where beach huts are sold for high prices on the open market could be considered as excessive profit making and effectively pricing local residents out of ownership. This situation was contrasted against the beach huts rented by the Harbour where the licence prevented the huts from changing hands or being “re-assigned” in this way. The panel also noted the conditions imposed by other hut providers.

At the time of the review, the price of huts for sale on the open market in Herne Bay could be as high as £9,500 and in Whitstable² between £15,000 and £19,000. These prices are subject to market conditions and linked to the performance of property and the general economic situation, but the panel did not feel that the current fashion for hut ownership would decline in the immediate future.

The local economy was also a factor, which may affect hut sales, if local ownership was considered. Currently residents own 93% of Herne Bay huts, whilst 62% of the Whitstable owners were residents.

² An April 2008 Daily Mail article put the price at £30,000 for a Whitstable hut and a property advert seen by the review panel cited an asking price of £35,000

Of the private sector huts, around 75% of the huts were rented locally. Hut charges were substantially more than those charged by the council. Rates were paid separately by the person renting the hut, but no administrative transfer fee was charged by the Whitstable Oyster Fishery if the hut was sold on to a third party.

The hut owners associations in Herne Bay and Whitstable were clear that although the council owned the freehold of the land where the hut was sited, it already levied an administrative charge of £81 on the transfer of licence at sale. The sale price was, however determined by the market. It would be unfair of the council to retrospectively vary the licence agreement with a sale percentage fee. The associations suggested that such a move would be an infringement of human rights. The Whitstable Association informed the panel that it had set up a legal fund to resist any changes of this kind. The panel was made aware of similar situation at West Beach, but legal opinion at the time suggested that there had been no grounds for a challenge.

Number of huts and the possible increase in numbers

Noting the current plans by the Harbour and Foreshore Service to build extra huts, the panel questioned witnesses about the need for more huts and where these could be located. There was general agreement that more huts were desirable, especially if these were for local people. However, the number would depend on the location and type of huts made available. The rents would need to be affordable for local residents, although the licence conditions would have to be different from existing huts. If new huts were built and rented under existing terms, they would run the risk of being sold 'out of area'. There was also support for extra huts if the revenue generated meant that the rental fees charged were kept lower.

In terms of location, there were suggestions of huts being built at 'infill' sites in front of the Green Shelter at Spa Esplanade, Herne Bay or to the east of the Kings Hall at East Cliff, Herne Bay.

The Whitstable Oyster Fishery Company who owned 60 beach hut sites, and had run more in the past, felt that demand was high enough to justify many more huts than were presently provided, although in the past, demand had fluctuated.

Planning permission would have to be sought for new huts. Officers indicated that it would be almost impossible to obtain permission for extra huts on registered village greens or on public open spaces, which are protected from development. Some such spaces are also protected from development by polices in the Local Plan. Planning permission would also be required for temporary huts if these were considered as an option.

The council's Transportation and Engineering department has researched possible locations for new council-owned beach huts. The report findings are set out in Appendix G. In summary, a number of sites such as the Sea Wall Whitstable, Beach Walk, the east end of Tankerton slopes and Studd Hill

could be suitable. However, most of the sites have conservation area or public open space designation, or in the case of Beach Walk, safety concerns relating to its proximity to the Sea Scouts hut.

The report suggests that any concentration of new huts will have to overcome a range of obstacles, depending on the location.

A more successful approach may be to adopt a policy of 'infill' and replacement. This is the approach favoured by Foreshore Services who will be conducting a pilot exercise to build 17 new huts at Whitstable (Tankerton), and 19 at Herne Bay. A plan of the proposed huts and their location is set out at Appendix E.



Proposed infill sites at Herne Bay (left) and Tankerton

The pilot exercise will 'test the water' and determine if an expansion of the market for beach huts is sustainable.

Other councils have undertaken similar exercises in the past. Teignbridge District Council in Devon reviewed the management of its beach huts in 2004 and looked into the viability of providing more beach huts at Dawlish Warren Beach. Eleven new huts will be ready soon and available on three-year leases. There will also be three huts for daily and weekly hire.

Vandalism, graffiti and anti-social behaviour

Both beach hut associations cited the problems of anti-social behaviour and hut damage through vandalism. Huts have been subject to arson attacks or used as meeting places for under-age drinking. Although there appeared to be some improvement in Herne Bay in the past year, vandalism and graffiti had increased over the same period in other areas. The police are contacted if there is a problem and generally the police response was good.

It was hoped that co-ordination and response would improve further now that Foreshore Services representatives had begun to attend PACT (Police and Communities Together) meetings.

Both associations felt better CCTV and lighting would improve security. The Herne Bay association together with Heron Angling Society, was considering

the installation of cameras on the red shelter. However, it was appreciated that more cameras would involve extra costs for which there is no provision in the council budget. Extra lighting would also help around the Tankerton slopes. However, this may cause a problem for adjoining properties, and again would result in extra costs in terms of installation, maintenance and the provision of a mains power supply. Some people were against the provision of facilities such as electricity and lighting as this might lead to an increase in evening occupation and possibly more anti-social behaviour.

Terms and Conditions

Council beach huts come with terms and conditions in the licence that stipulate how they can be used. They set out the responsibilities of the hut owners in terms of rental and maintenance, together with the rights of the council who owns the land.

The terms and conditions were revised in 2004. One of the conditions dropped at that time was the prohibition of overnight stays. Anecdotal evidence given to the panel suggested that the huts were occasionally used as overnight accommodation. It was thought this might be encouraged to prevent anti-social behaviour. Alternatively, it was also suggested that endorsing overnight stays could actually increase anti-social behaviour. In terms of planning, the only concern would be if the huts were occupied constantly all year round, thus changing a hut's status to permanent accommodation.

The terms also dictate the size the hut should be, and in what circumstances additions can be made. Several huts have been the subject of alterations, such as extra decking or a ladder. In the past this has been authorised on an ad hoc basis by foreshore staff, although records were not kept and a charge not made.

The private providers charge additional rent for alterations to the hut and generally discourage the practice. If the council were to adopt this practice, in the absence of evidence it would be difficult to apply any such policy retrospectively. But the current ad hoc method of authorising any addition to huts should be discontinued. Clear procedures should be put in place to authorise changes to the hut plan and hut owners informed (see recommendation 2).

Other authorities

Other councils with coastal areas own and manage beach huts under similar conditions to our own. The review contacted East Devon, Waveney, Torridge (Devon), Hastings, Colchester, Brighton & Hove, Poole, Southend and Eastbourne councils. This is not an exhaustive list, but it does cover some of the main hut owning authorities. These findings which are set out in full at Appendix F, were:

- Rental charges ranged from £70 to £1,000 per year, depending on authority and hut location
- Licence transfer administration charges ranged from £50 to £100
- All other authorities charged Non-Domestic Rate separately
- Few authorities had huts available for rent and most had closed their waiting lists
- Waveney, Colchester and Hastings charged residents and non-residents differently
- Some authorities had very different conditions relating to hut ownership – licences.

Two contrasting approaches were found at Southend and Poole councils. At Southend-on-Sea Borough Council, enquiries are directed to the local beach hut association who manage the beach hut sites on behalf of the council. The council is also notable in that it has completely overhauled the licence structure and has a range of licence options, some of which involve the council receiving a percentage of any sale proceeds, if the hut is sold outside the owner's immediate family. In return, hut owners can obtain six year or ten-year licences. This is explored later in the report.

Poole Council own their beach huts and do not allow huts to be sold on, much in the same way as the Whitstable Harbour Board and the private sector do in our own area. Transfer of ownership is limited to spouses or partners. Children and other immediate family members are not included in this and huts are returned to the council for rental to the next person on the waiting list. In addition, they do not allow huts to be rented by non-residents².

None of the councils contacted were currently planning to provide more huts, although this was not ruled out as a future arrangement where space is available and the market strong.

Discussion

It is clear that beach huts have long been regarded as a valued feature of our coastal towns, and in many cases, ownership spans several generations.

Their growth in popularity has meant that supply has reduced as huts are purchased and become unavailable to local residents to rent on an ad hoc basis. Locally, a current purchase price of between £5,000 and £23,500 means that if they become available huts are beyond the means of the average family in the district.

² Which in this case is defined by having a name on the register of electors and being a council tax payer.

6. Panel discussion

Overall strategy

As a major stakeholder in the coastal towns, the council has a role to play in ensuring that the huts remain a successful element of the landscape. This requires a consistent approach and clear guidelines.

As suggested in the review scope, the council's approach to beach huts has evolved over time. This has resulted in a piecemeal approach to charging, management and service.

Some of the documents relating to beach huts – the standard plan and the licence – are in need of updating. The rent the council charges, is combined with the NDR payment and should be disaggregated/separated.

In 2004 officers suggested that the current market for huts should be used to benefit the public purse through a transaction charge when hut owners sell their hut onto another person. This would have been in addition to the administration fee it already charges. The report went to the Executive with options and further consultation recommendations.

This approach would be controversial and obviously would not be supported by existing hut owners. Witnesses have indicated that such a move may be the subject of a legal challenge. These charges are, however, not without precedent. Southend-on-Sea Borough Council successfully re-negotiated all its beach hut licences and included a clause that charged a percentage of any sale in some of the licences.

Locally, Seasalter Shell Fish have also changed their licence term, although the Whitstable Oyster Company continue to allow their huts to be sold on the open market.

Charging and Financing

Separation of the Non-Domestic Rate Charge

Currently the council makes a combined charge for rent and rates. This has meant that all hut owners pay the same amount of rates, regardless of their status. Therefore hut owners eligible for a NDR discount cannot apply for one. In future there should be one bill for rental and another for rates. The rate charge will then depend on the hut owner's status.

The council has a list of huts and hut owners already available; it should therefore be straightforward to separate the invoice for non-domestic rate from the rental invoice. This will make the council charge more transparent and bring Canterbury into line with most other authorities managing beach huts.

Recommendation 3

That the valuation office should be asked to provide a single rating for each type of hut, so that beach hut owners receive a single non domestic rate bill, and may apply for any discounts to which they may be entitled.

Rental charge

The charge levied by the council has evolved over time. It differentiates between Whitstable and Herne Bay and the last revision was in 2006.

The recent budget consultation carried out by the council, using a population sample selected by an agreed methodology giving a randomly stratified sample age, gender and ward location, indicated that the option of raising beach hut charges was the option giving rise to the fewest objections.

However, the survey was a general residents' survey and as such did not contain a significant proportion of beach hut owners. This would have an impact on the subsequent results when beach hut charging was considered.

The council charges are divided into two areas, Whitstable and Herne Bay. However, the charges levied by other councils are more specific and are linked to area and scarcity. The more "desirable" the location, the higher the charge.

The table set out in Appendix F, shows the council's rental charges for beach huts are not unreasonable, compared to other councils. Even the council's highest charges are much lower than those of the Harbour Board and the private sector providers. It is therefore fair to assume that the council's site rent is very competitive within the Canterbury District, which is why hut availability is low and sale prices high.

However, any price changes should be clearly justified and set in context of other providers, together with the facilities the council provides.

The rent charged by the council should be further checked against a benchmark group and data, such as the retail price index, to ensure that the council's charges are fair.

Recommendation 4

The Foreshore Service should determine a group of comparable coastal councils with beach huts and benchmark their charges against them.

Recommendation 5

A charging policy for beach hut site rents should be developed taking into account benchmark information and the level of private sector charges in the district.

Recommendation 6

That the beach huts waiting list should be re-started for the proposed new huts and publicised.

Differential charging

At the time of the review the council charged differently for residents and non-residents, but on legal advice the charges were gradually being equalised.

However, it was noted by the panel that other councils do not have an issue over differential charging. Southend-on-Sea Borough Council had sought counsel's advice when varying the licence of its huts and they continue to employ differential charging, as do Hastings and Colchester.

It was also noted that some councils, such as Poole, avoid the issue by not allowing their huts to be licensed to anyone not resident in the district, although they have a number of short-term huts available for hire for non-residents.

The council's charging policy at the start of the review relied on the council's interpretation of the Local Government Act 2003 (guidance issued by the then ODPM³). This quotes a European Court judgement saying that local authorities are not allowed to apply concessionary rates for access to cultural sites, such as museums, galleries. The decision also extends to whether any concessions based on residency are lawful.

This interpretation would also have implications wider than beach huts for example differential benefits, such as the Resident's Card and the lower beach hut rental charge for long-term residents.

The panel considered that in light of the success of other authorities the council has two options:

(1) It reconsiders the move to parity of charging after reviewing the lawfulness/risk of providing these and other differential benefits in order to avoid any risk that may be costly in terms of legal challenge and costs.

³ The implications of the European Court of Justice's ruling in the case of *European Communities v Italian Republic* are to be noted in the context of charging for services. The case relates to concessionary rates for access to local museums, monuments, galleries etc. In its judgement the Court held that the state is not permitted to grant concessionary rates for access to cultural sites for its own nationals only. Similar principles apply to sites controlled by local authorities (since the state is held responsible for its municipal and decentralised authorities) and to concessions based on residency rather than nationality which was held to be another way of favouring nationals over non-nationals.

Or

(2) It continues the policy of moving towards a single charge whilst reviewing again the lawfulness/risk of providing these and other differential benefits in order to avoid any risk that may be costly in terms of legal challenge and costs.

The panel considered that the legal position was on balance correct and felt that the move toward parity of charging should continue. This view was challenged during the consultation on the report. In view of the wide-reaching consequences for hut charges and other areas, the council then sought legal clarification of the differential charging issue.

The legal advice to the council concluded that differential charging was in fact, lawful:

The adoption of a policy of differential charging is lawful in principle, and, subject to the decision making process being properly conducted, including consideration of the justification for it, the policy would be lawful. It is ultimately a matter for the council to decide whether it wishes to adopt – or maintain – such a policy.

In light of this information the panel considered that the council should adopt option 1 and re-consider the move toward differential charging and that this should be reflected in the charging policy set out in **recommendation 5**.

Licensing arrangements

The licence for beach huts was last reviewed in 2004. As stated earlier in the report, the current licence contains a number of clauses relating to the management of beach huts and their sale.

The term of a licence is for one year. Other authorities have, and others are, considering different structures to their licences.

The reasons for looking at longer-term licences are varied, depending on the council involved. Negotiating the licence over, say 10 years would reduce the administration time spent by officers in the granting and management of licences. However, there may be an increased initial set-up cost. It would be open to the tenant to terminate the licence each year at a set point in the term.

Borough of Poole Council has an open-ended licence that continues for the ownership of the hut and can be terminated in a similar way to the 10-year licence. Other councils use the yearly licence option, but some, such as Waveney, are considering moving towards a longer-term licence arrangement as part of a wider review of beach hut arrangements and a reduction in administrative overheads.

If the council were to pursue a policy of placing conditions on any hut sale, this would involve a change to the hut licence. Currently, no control is exercised over the sale of huts apart from the requirement that an administrative fee is paid on transfer and that the council registers the assignment. In previous years, when demand was low, this was all that was possibly required and the current leasing arrangements were sufficient. In the light of other councils' moves towards a more flexible licensing structure it would be prudent to review the licence policy.

Wider licence reform would, after initial costs, allow the council to reduce its longer-term administrative overheads if it chose to do so, and give the current hut owners the security of a longer-term tenancy.

Within the licence, other conditions would also have to be considered including those relating to the sale and control of beach huts. This is considered below.

Recommendation 7

That the current licence for beach hut sites is comprehensively reviewed to ensure that it is fit for purpose and that the licence conditions reflect the current foreshore environment paying particular attention to the issue of overnight occupation. This review should exclude any consideration of the ability to transfer the licence.

Recommendation 8

That the council considers longer licence periods for all council managed beach hut sites for example a 10-year option at a premium rate. This should be in conjunction with other changes to the licences and all beach hut owners should be consulted.

Hut sales

The demand for beach huts in some locations means that huts are being sold for sums well in excess of the nominal value (the purchase price of a new hut). In some parts of England this can be in the region of £140,000. The highest prices seen by the panel in the Canterbury district are currently around £35,000 for a high quality hut in the right location. Not all the district's huts will fetch this price, which will depend on the site and other factors.

In a 2004 report, officers considered the sale of huts and whether the council should impose new tenancy conditions. These would prevent the re-assignment of a hut licence once the terms had expired, with new licences either non-transferable at the current yearly reviewed rent or, longer leases, transferable (within the tenancy period) at a higher rent. A further report was presented to the Executive in February 2005, which explored the legal issues behind the sale, the initial responses of the hut owners associations, and the views of the Overview and Scrutiny Committee.



Beach Huts at Herne Bay

The report detailed the findings of officers investigating the potential of changing the council policy relating to the sale of Beach Huts. The report presented the Executive with options for changing the beach hut licence:

- a) Retain existing arrangements allowing market conditions to prevail.
- b) Bring the current agreements to an end and grant new annual leases without transfer clauses and include new clauses e.g. tenants would be responsible for clearing the site at the end of a tenancy. The council would retain a deposit in case of incurred costs for the removal of huts.
- c) Bring the current agreements to an end and grant new annual leases without transfer clauses. This would be without prejudice to the terms of the lease and allow the beach hut tenants the ability to assign their lease during the first two-year period.
- d) Create a two-tier tenancy system whereby tenants could opt for either an annual non-transferable lease (as option b) or a fifteen-year transferable lease subject to a higher rent.

To take these options forward, a six-week consultation in the form of a questionnaire with supporting information was to have been sent to all beach hut owners and a cross section of the public. Coastal Area Member Panels were also to be consulted on the issue. The findings were originally due to be presented back to the Executive in May 2005.

Discussion

The licensing arrangements for council huts have been stable for some time. Minor variations such as the prohibition on overnight stays have taken place over the years, but the main clauses relating to the licence and transfer fees have remained the same.

The increased popularity of some beach hut areas has created tensions and probably reduced for local people. The uncertainty over sales and the high

prices realised by some (but not all) has created a market situation from which the council, as landowner, is excluded from taking any benefit.

It is also fair to say that the market for beach huts has fluctuated over the years. It was pointed out that in the past they have been less desirable and in some cases huts have been removed because owners could not find a buyer.

The panel considered these views. It was suggested that the council may wish to charge a percentage fee on any hut sale, and any resulting income re-invested in the service locally. This would be similar to the practice adopted by Seasalter Shellfish, although the charge is waived if the transfer is conducted within a family.

Submissions by the Whitstable hut association to the council in 2004 suggested that to enforce such a condition would be in breach of the Human Rights Act. As stated earlier in the report, hut association members said a fund had been set up to fight any such move by the council.

However, it should be pointed out that hut licences are annual. Therefore the council can end them at its discretion. Following termination of a licence agreement, the existing occupiers could be required to remove their huts and would have no further interest in the land.

It was the view of the panel that extreme actions such as hut removal and/or legal action should be avoided and that negotiation and effective communication with hut owners and operators would be the key to implementing any licence changes if they were required.

This was the case at Southend-on-Sea where licence change was implemented for all huts. Southend-on-Sea Council now derives an income of between £7,000 to £10,000 per year from hut sales, whilst owners benefit from a more flexible lease structure. The wider reform of hut Licences has given hut owners two choices of licence:

1. A six or 10 year licence with a 10% sales clause and reduced rent (depending on length of Licence)

Or;

2. A six or 10 year licence without a 10% sales clause and a higher rent (depending on length of Licence)

The Licence changes were carried out in consultation with the Southend Beach Hut Owners Association, which now deals with beach hut sales and general day-to-day management of the sites on the council's behalf.

Southend-on-Sea Council also held extensive consultation with hut owners and employed a specialist legal advisor to steer the changes through on behalf of their Property Services Department.

The inference from the above is that licence change, if clearly thought out and backed with the necessary time, evidence and commitment, is possible. There would be a number of benefits in terms of increased income and improved availability of huts for local people, depending on what reforms were undertaken. However, against this the council would have to balance the resources necessary to effect this change, the possible opposition of the hut owners and possible legal action.

Legal opinion at the time of the 2005 report suggested that to deliver a licence change regime the council would need to demonstrate that clear evidence existed of demand for beach huts, in terms of waiting lists and enquiries. There would also have to be a substantial period of notice for any change.

Some witnesses suggested that the council should change the conditions for beach hut licences in order to bring them into line with other operators and deliver income for the council.

The panel is aware of the strong feelings this issue generates, but the current situation means that huts are effectively used as a commodity enabling those with the necessary funds to acquire a hut ahead of the game. The panel felt that hut sites should be returned to the council rather than sold on the open market.

The original intent was to allow outgoing tenants to recover some value from their beach huts rather than removing them from the site, and the new tenant having to buy a new beach hut.

Extra hut sites

During the review the panel considered the introduction of new hut sites. Whilst realising that some huts remain in family ownership for generations, the panel recognised that there is a strong market for those wanting beach huts, especially in Whitstable and Tankerton. However, the demand for huts is subject to market conditions that currently constrain availability in certain areas.

It was suggested that more huts should be provided where possible in areas of high demand, but also in areas where beach use was to be encouraged. This would capitalise on future opportunities for the district's tourism and assist with ongoing regeneration.

A number of locations for huts were suggested as part of the review, although the practice of "infilling" was one that seemed more acceptable to the majority of witnesses.



Proposed infill sites at Herne Bay (left) and Tankerton

There will be the need for planning and engineering inspections with any additional hut plans and any large-scale addition must be considered in light of its overall suitability. This is discussed in Appendix G.

As stated earlier, plans by Foreshore Services to expand the available huts are well advanced. The panel recommends that the need for more huts is re-assessed after these plans have been implemented. Subject to this, the Foreshore team should set out clear guidelines on how it plans to develop the number of huts in the district. This should be referenced to the social and economic benefits these huts would bring and also the terms on which they would be rented.

This approach should bring with it some of the non-financial benefits of more huts, such as improved availability for local people.

Recommendation 9

That, subject to the implementation of the infill pilot, a beach hut strategy should be developed in 2009 setting out clear guidelines on increasing beach hut sites

- ***numbers***
- ***potential locations***
- ***availability***
- ***future use (including licence and rental)***

Other providers

The plans to increase the number of huts are not unique. Witnesses from the private sector said they would consider additional huts subject to planning.

The Harbour Board is considering a proposal to build more huts at Long Beach. It has to seek planning permission to build them and is currently considering the size and style. The site selected may depend on the use of the adjoining Sea Scouts site where the Scout's have planned a water sports centre.

If the council were proposing infill huts, it would be difficult to oppose any other operator making similar proposals to meet the current high level of demand.

As with all such plans, the suitability of the site and necessary planning permission and health and safety considerations would have to be met.⁴

Hut Environment and Community Safety

One of the main concerns experienced by witnesses was vandalism to beach huts. Much of this is seasonal.

The panel feels that hut owners should be made more aware of the relevant contacts for community safety and the need to report incidents.

Foreshore Services with the local PACT panel will help collect the necessary data to justify extra enforcement.

Extra security in the form of CCTV will require a detailed justification in terms of costs and the level of crime. The expense of CCTV, the connection to 24-hours monitoring capability and the need for sufficient lighting make it unrealistic to deliver in the short term. A larger term appraisal may be carried out through the PACT panel.

Hut Environment

Although hut owners contribute to the hut environment through their own maintenance efforts and organised beach cleans, the hut areas still face significant problems with litter towards the end of weekends and the holiday season. Although it would be difficult on cost grounds to justify extra hut site cleaning in preference to other parts of the coastal towns, it may be possible to undertake extra rubbish collections and extra removal of recycling materials at the end of season, much in the same way seasonal collections are carried out for student households.

In common with other councils, but not private providers, facilities are provided in some locations, such as waste bins and the coastal public conveniences are provided in some locations. Provision is not uniform, but depends on budget and historical precedent.

There are currently no guidelines regarding provision of facilities and no dedicated budget to provide them.

As a first step, the Foreshore Service should identify the gaps in the provision of water taps and the location of public toilets. The maintenance and provision

⁴ Planning permission for eight additional beach huts at Long Beach was granted earlier this year. At its meeting on 7 November, the Whitstable Harbour Board decided that due to the current economic climate it would not be viable to build new beach huts on this site for the year 2008/09. The situation will be reviewed with a target date for revised proposals of September 2009.

of extra taps should form part of the plan for any proposed hut development and factored into the cost of the service.

Recommendation 10

That all plans for future developments following any infill pilot should contain provision for extra facilities.

7. Overall Conclusions

For some time, beach huts have been a valued part of the district's coastal landscape. This value is shared with many other areas in the country. Also, in common with other areas, the availability and cost of a beach hut has been affected by the increased demand generated by the current fashion for hut ownership. As such, the value of beach huts as a civic and social asset has grown beyond their intrinsic value. It is now less clear if the council is getting the best value for the taxpayer from this asset. Continued demand for huts and the exclusion of local people from ownership, does point towards a need for change. Evidence from other councils and the private sector is that change is possible – but only in the context of an overall approach to hut management.



Although the council does provide some facilities and support for hut owners, this could be better publicised. It should also be noted that the council does more and charges less than the other hut providers on the coast. But at present, the council has no clear policy regarding beach huts, their maintenance and future development. Whilst the Foreshore Service provides valuable day-to-day oversight of the council's huts, the long-term direction of the council interest is not defined. An early priority for the service will be to set out the main aims of the council for the beach huts on its land. This should bring together the relevant departments of the council and, guided by the recommendations in the review, determine the longer-term approach on issues such as charging and licensing. This strategy takes account of the many models of practice existing in other parts of the country.

As a short topic scrutiny, the review can only point the way forward rather than provide a complete solution. The panel hopes that this review will provide a guide toward a more integrated approach by the council.

8. Summary of Recommendations

The review recommendations apply only to the Beach Hut sites controlled by Canterbury City Council, and any new sites brought into use and controlled by the council, with the exception of the existing and any new beach huts administered by the Whitstable Harbour Board.

Recommendation 1

That housekeeping information, setting out what services are available, together with relevant community safety contact details should be sent out each year with the yearly beach hut paperwork.

Recommendation 2

For alterations of existing huts or construction of new beach huts the standard 'Whitstable' and 'Herne Bay' beach hut designs should be redrawn. Beach huts should comply with the traditional beach hut shape but need not be of the same design in terms of detail.

Recommendation 3

That the valuation office should be asked to provide a single rating for each type of hut, so that beach hut owners receive a single non domestic rate bill, and may apply for any discounts to which they may be entitled.

Recommendation 4

The Foreshore service should determine a group of comparable coastal councils with beach huts and benchmark their charges against them.

Recommendation 5

A charging policy for beach hut site rents should be developed taking into account benchmark information and the level of private sector charges in the district.

Recommendation 6

That the beach huts waiting list should be re-started for the proposed new huts and publicised.

Recommendation 7

That the current licence for beach hut sites is comprehensively reviewed to ensure that it is fit for purpose and that the licence conditions reflect the current foreshore environment paying particular attention to the issue of overnight occupation. This review should exclude any consideration of the ability to transfer the licence.

Recommendation 8

That the council considers longer Licence periods for all council managed beach hut sites for example a 10-year option at a premium rate. This should be in conjunction with other changes to the Licences and all beach hut owners should be consulted.

Recommendation 9

That, subject to the implementation of the Infill pilot, a hut strategy should be developed in 2009 setting out clear guidelines on increasing beach hut sites

- *numbers*
- *potential locations*
- *availability*
- *future use (including licence and rental)*

Recommendation 10

That all plans for future beach hut site developments following the infill pilot should contain provision for extra facilities.