

Cabinet

Report subject	Provision of Beach Huts
Meeting date	Cabinet 14 December 2022
Status	Public
Executive summary	<p>This report sets out proposals, following a review of BCP Beach hut assets, to harmonise the service offer, provide equality of access for BCP residents and enable new levels of investment in the beach hut offer.</p> <p>Like all Councils in the UK, due to rising inflationary pressures, BCP Council is having to review its financial position, find new ways to be more efficient in meeting the needs of our communities, ensure cost recovery and income generation. This involves reviewing all our commercial services, including the provision of beach huts.</p> <p>In September, the Corporate and Community Scrutiny Committee was advised of the decision and reasons for not pursuing the use of a Special Purpose Vehicle (SPV) to commercialise beach hut assets and that the Council would instead develop proposals for changes to the in-house management, harmonisation of prices and policies, and the enabling of capital investment.</p> <p>BCP Council manages over 3,700 beach huts between Highcliffe and Hamworthy, with annual gross income of circa £7m. Officers have undertaken a review of the differing legacy management and financial arrangements with the aim of harmonising the service, widening access, raising maintenance standards and improving commercial performance. The review has included engagement with key stakeholders including the four Beach Hut Associations.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ol style="list-style-type: none"> 1. Agrees to allow all BCP residents to join the waiting lists for standard huts/sites. 2. Agrees the 5-year beach hut pricing strategy set out in Appendix 1a to increase income and harmonise rental and transfer fees. 3. Agrees to widen use of long-lease arrangements to generate additional capital and support future development schemes.

	<p>4. Agrees to the financial plan in Appendix 1c to invest additional income from rental fees, transfers and long-leases to improve service standards and enable further capital investment in seafront assets.</p> <p>5. Notes that the implications of the recommendations above will be included in the Council’s Budget and Medium Term Financial Plan (MTFP) 2023/24 report, due to be considered in February 2023 by the Cabinet and Council.</p> <p>6. Delegates authority to the Chief Operations Officer, in consultation with the Portfolio Holder for Environment & Place, to:</p> <ul style="list-style-type: none"> a. finalise operational changes and harmonise terms & conditions across Beach Hut: licence hire agreements; handbooks; & waiting lists. b. make further changes to the pricing structure and eligibility criteria in response to market demand.
Reasons for recommendations	<ol style="list-style-type: none"> 1. Market demand for beach huts is strong however further improvements are possible by widening eligibility and enabling more people to access the service. 2. Beach Huts are a ‘non-statutory’ discretionary commercial service. 3. The pricing strategy supports corporate commitments to harmonise the different approaches of the preceding Councils and offers a more equitable system. 4. Support the Council’s MTFP position and delivery of the Big Plan and Seafront Strategy using a more commercial approach. 5. Increase service quality by enhancing maintenance to ensure longevity of existing assets, improve the seafront and the overall service to licence holders and local residents.
Portfolio Holder(s):	Portfolio Holder for Environment, Councillor Mark Anderson
Corporate Director	Jess Gibbons – Chief Operations Officer
Report Author	Anthony Rogers – Head of Seafront Services
Wards	All
Classification	For Decision

Background

1. BCP Council manages provision of over 3,700 Beach Huts along its seafront (see Appendix 2 for details), which is amongst the highest number of any local authority in the UK. Prior to the formation of BCP Council, Bournemouth, Christchurch, and Poole Councils all had different approaches to management and the Council is committed to aligning these, offering a single transparent approach with improved administration.
2. In September, the Corporate and Community Scrutiny Committee was advised of the reasons for no longer pursuing the use of a Special Purpose Vehicle (SPV) to commercialise beach hut assets and that the Council would instead develop proposals for changes to the in-house management, harmonisation of prices and policies and enabling capital investment.
3. In developing the recommendations in this report, officers have considered existing policies, procedures & working practices and researched other local authority providers. They have assessed customer surveys and demographic / socio-economic analysis and engaged with key stakeholders.
4. This work has shown there is scope to simplify service access and build on the strong demand for beach huts in the local area, which has increased in recent years due to COVID and the homestay market. Currently 99% of huts and sites in Bournemouth and Poole are let and there are no vacant beach hut sites in Christchurch. Over 1000 new waiting list applications have been received for Poole in the last 18 months and waiting lists in Bournemouth have been closed since 2017 due to high demand.
5. Research as shown there is also scope to:
 - Harmonise rental and transfer fees and provide a more equitable system
 - Standardise terms and conditions of hire including sub-letting policies
 - Raise maintenance standards whilst driving growth and service incomes
 - Revisit the mix of casual huts available for short term rentals

Eligibility Policy

6. Eligibility policies for access to the beach hut service currently differ as follows:

Type	Bournemouth	Christchurch	Poole
Standard hut / site	Must be resident in Bournemouth	No restrictions. Huts only available via private sale/transfer.	Primary or only residence in Poole
Super hut or Pod	No restrictions	N/A	N/A
Casual Hire	No restrictions	N/A	No restrictions

7. There are historical differences and anomalies in the eligibility policies for accessing standard huts/sites across BCP. A consistent approach to eligibility should be adopted to help sustain and grow commercial potential and increase occupancy rates in areas of lower demand. Widening the market for standard

huts/sites for all BCP residents would support this and enable existing beach hut users to retain their hut/site if they move within the BCP area.

8. 8 out of 10 coastal Councils recently benchmarked (inc. Scarborough, Brighton, and West Wittering) only offer huts to local residents. 2 out of 10 (Tendring and New Forest DC) offer licences without geographical limitations, applying a surcharge to non-residents.
9. Waiting lists currently only apply in Bournemouth and Poole but would be opened to all BCP residents (subject to eligibility). Geographic restrictions could be adjusted further to increase levels of occupancy, in line with current practice in areas of lower demand. Other options that could be considered in the future include allowing BH postcode residents (to encompass Wareham / Wimborne / Ferndown / New Milton / etc.) or all UK residents, to join the lists.

10. Recommendations:

Allow all BCP residents to join the waiting lists for standard huts/sites.

Delegate authority to make further changes to eligibility criteria to maximise market demand for huts to the Chief Operations Officer in consultation with the Portfolio Holder for Environment & Place.

Rental Fees

11. Rental fees of beach huts and sites vary considerably across BCP (see Appendix 1 and 2 for details) and there is a need to:
 - a. Provide a more consistent, equitable and harmonised approach which considers current market conditions and inflationary pressures.
 - b. Improve maintenance standards to help to sustain future revenue and contribute to the seafront strategy ambitions and maximise and sustain future revenues.
 - c. Support assumptions within the Councils Medium Term Financial Plan (MTFP) and generate additional revenue to support wider service delivery.

The proposed pricing strategy is based on factors such as: market demand; quality of access; local facilities; and maintenance liabilities. It reduces the number of individual price bands and raises lower prices to match higher prices within each band.

12. A baseline increase has been applied of 5-10% per annum however, in many cases % increases are higher due to harmonisation or value assessment. In recognition of the significant differences that currently exist in rental fees between BCP areas and to support the most affected beach hut licensees, the process of harmonisation has been spread over a two – five year period.
13. Some licensees currently qualify for an early payment residents discount of 15% of the annual licence fee (ex. VAT) if paid upfront. This only applies in Christchurch and in 2021 was claimed by 143 licensees costing the Council

£31.4k, and in 2022, 124 licensees, costing £27.5k. It is therefore proposed that the early payment residents discount is discontinued.

14. The cumulative impact of baseline, harmonisation and changes to resident discount in Christchurch would vary depending on specific location or hut type and could affect affordability for some licensees. For example, in Year 1, net increases could range between approx. 20% at Mundeford (c £500) and 25-30% at Friars & Gundimore (c £200). To reduce the impact on the most affected licensees, it is proposed that the resident's early payment discount is phased out as follows: 2023/24 = 10%, 2024/25 = 5%, and 2025/26 = 0%.

Transfer Fees

15. Transfer fees are applicable at some sites where the licensee owns the hut and sells/transfers it to a new owner. Transfers fees currently vary between sites with 2022/23 fees shown below in Para 16 & 17:

16. Bournemouth

Superhuts & Pods (various locations)

Lease transfer fees apply when a Super Hut or Pod is sold. Fees are generally charged at 15% of the sale price although some earlier developments do not incur fees. Where the terms and conditions are fixed for the length of the lease, harmonisation may initially only be possible for new leases.

Fees are not applied if a lease is transferred rather than sold (e.g. death of licensee, divorce etc.). However, licensees are responsible for meeting all legal, surveyors and other costs incurred by BCP Council.

17. Christchurch

Mundeford Sandbank - Fees are based on the following criteria:

- | | |
|---|---------|
| a. Buyer is neither a Christchurch resident nor a member of the seller's family | £18,315 |
| b. Buyer is a Christchurch resident but not a member of the seller's family | £15,570 |
| c. Buyer is not a Christchurch resident but is a member of the seller's family | £ 9,120 |
| d. Buyer is a Christchurch resident and is also a member of the seller's family | £ 7,785 |

Transfer fees are reviewed annually, increasing at the same % rate as beach hut fees.

Gundimore / Friars Cliff - Fees based on hut size, less total of all transfer fees previously paid:

- | | |
|-----------------------------|-----------------------|
| a. Gundimore | £725 per square metre |
| b. Friars Cliff (Rear row) | £725 per square metre |
| c. Friars Cliff (Front row) | £805 per square metre |

The requirement to deduct all previous transfer fees received (and unrelated to a new sale) has a negative impact on the Council's revenue. In 2021, the average transfer fee was £4,000, however 2 transfers were completed free of charge as the total deduction was greater than the cost of the calculated fee.

This is likely to occur more frequently in the future as more huts fall into this category.

- 18.** Currently, if the first transfer of the licence is to a beneficiary child (where there is no surviving spouse or civil partner), the fee payable will be discounted by 50% (Licence Condition C2.1). As this discounted rate only applies to the first time the hut is transferred, only 20% of licensees remain eligible to receive it (29 of 156 licensees at Friars Cliff and 5 of 11 licensees at Gundimore).
- 19.** Due to the differences between licences, leases and hut values, it is not feasible to introduce a single transfer fee covering all scenarios. It is therefore proposed that following fee structure is introduced across BCP in 23/24 (see Appendix 1a for further details):

Licence Transfers (Yr 1):

Friars Cliff & Gundimore	£ 6,500
Mudeford Sandbank	£20,000

Lease Transfers:

15% of sale price on future leases

- 20.** The structure introduces a set fee for each area which reflects average asset/transfer values. Asset value depends on location, size, licence length and terms, hut condition, etc.
- 21.** It is proposed that transfers of leases or licences to spouses and civil partners would not incur fees and that a licence transfer to a beneficiary child (where there is no surviving spouse or civil partner) would be discounted by 50%, regardless of their place of residence (administrative assignment / legal charges would still apply). The discounted rate would apply to all relevant transfers, not just the first transfer. It is also proposed that the process of deducting all previous transfer fees received (see para 17) will be discontinued.
- 22.** The structure will be applicable to all new licenses and changes to current license agreements will be necessary, subject to terms & conditions and will be reviewed on an ongoing basis. The timeline for developing the recommendations, implementing the new fee structure and issuing licences is:

2022	Sept:	Decision not to pursue SPV to commercialise beach huts and instead develop in-house proposals
	Oct:	Engagement with BHA's and Equalities Panel
	Nov:	Finalise report
	Dec:	Cabinet decision
2023	Jan:	Engagement with BHA's re terms & conditions
	Feb:	Process licence renewals & compile finance information for SVPP
	Mar:	Invoices issued by SVPP
	Apr:	Start of new fee structure and licences

23. Recommendation:

Introduce a new five-year beach hut pricing strategy for rental and transfer fees to increase income and harmonise rental and transfer fees.

Long- Lease Arrangements

24. It is proposed that the Council widens the use of long-lease arrangements (up to 50 years) to generate capital from existing huts/sites and support future development schemes. Long-leases have previously been offered in Bournemouth (Super-huts & Pods) as a means to enable development and this approach could be extended across the BCP area. For example, this approach could be applied to construction proposals for additional huts at Sandbanks and Canford Cliffs. There are no geographical restrictions to purchasing long-leases, which are available to all irrespective of residential location.

25. It is also proposed that the option to purchase a lease is explored at locations where currently only annual licences are available, providing opportunities to diversify the beach hut market and offer greater certainty for tenants. Further engagement with current licensees is proposed to develop lease hold options.

26. Recommendation:

Widen use of long-lease arrangements to generate additional capital and support future development schemes.

Service investment

27. Appendix 1c provides details of the financial plan to enhance the maintenance of beach huts, where additional resources are required to raise standards and meet customer expectations. During Covid-19 BCP Council's financial position changed with significant loss of income meaning it was not possible to deliver a full programme of maintenance. We recognise there is a backlog in some areas and costs have also significantly increased, with the cost of refurbishment currently estimated to be up to £250k per block. A primary objective of this proposal is to address this and raise standards across the seafront.

28. The plan also provides additional resource to support the harmonisation of licence terms and enable significant investment into feasibility (inc. professional fees for surveys, engineers, architects, etc) and delivery of the Council's Big Plan and Seafront Strategy regeneration projects (see Background Papers). Point 3.3 of the Seafront Strategy report to Cabinet in April 2022 stated, 'We will be working to secure investment in our beach hut offer to secure long-term income and support reinvestment in services.' Projects include refurbished & additional huts and a wide range of development schemes inc. public realm, infrastructure, utilities, catering and leisure facilities. Information on past, present and future seafront projects can be seen on the Councils development website [BCP Seafront Projects * Creating a World Class Seafront](#).

29. Existing ICT management systems for leased, licenced and casual hire beach huts across the BCP area are no longer fit for purpose. Different digital platforms are used: Bournemouth (CRM); Christchurch (Excel); and Poole (Firmstep), and payments, booking portals, waiting lists, etc, all operate independently. This hinders the ability to offer a cohesive service across the conurbation, resulting in duplication of tasks and inefficient use of limited staff resources. The inability to capture and analyse accurate data and booking trends also affects the Council's ability to maximise revenue potential.
30. These systems are key to the development of a more efficient and commercial service to ensure a co-ordinated approach to the management and administration of waiting lists, relinquishments and hut offers, billing and payments, as well as short term hire facilities. As well as administrative systems, new web and app portals are also proposed to improve customer service, manage data, generate reports and improve incomes. The new system also needs to encompass bookings at other venues e.g. Branksome Dene, Pier View, Holiday Lodges, which encounter similar issues. A bespoke system could take two years to develop.
31. To drive forward the Council's aspirations for beach huts and other seafront assets, whilst improving services for customers, additional staff resources are required (see Appendix 1c and 3). The specific details of staff changes are subject to further development and approvals however, changes to some existing roles and additional posts, including the Ranger Team and enforcement services, are proposed as part of a wider restructure to provide an enhanced level of service across the seafront to beach hut users and general visitors. The changes proposed to pricing and policies will be implemented using existing staff resources.
32. **Recommendation:**
- Invest additional income from rental fees, transfers and long-leases to improve service standards and enable further capital investment in seafront assets.

Licence Agreements and Waiting Lists

33. The Beach Hut Licence Agreements define the terms of hire and are issued to each new tenant. There are several different agreements in use currently, depending on the type and location of hut. As well as changes to rental and transfer fees, it is also proposed that all legacy beach hut licences and associated terms & conditions are aligned to:
- a. ensure a fair and consistent approach across the conurbation
 - b. reflect current operational requirements and tenant feedback
 - c. modernise and add clarity
34. The Council is keen to engage further with the BHA's to discuss any changes to licence agreements with key issues to be considered including:
- Sub-letting policies and user behaviour
 - Licence termination process including notice period

- Standards of presentation and maintenance
 - Financial processes, invoicing and insurance
35. There are 15 locations across Bournemouth and Poole where the Council operates a waiting list with over 2800 people currently waiting for a beach hut (see Appendix 2 for details). There are differences in the management systems and policies relating to the lists and it is proposed that changes are made to ensure a fair and consistent approach. The Council do not manage waiting lists in Christchurch where huts are sold on the open market.

36. **Recommendation:**

The Chief Operations Officer finalises changes to Licence Agreements and the management of Waiting Lists, in consultation with the PFH for Environment and Place.

Feedback from engagement with the four Beach Hut Associations

37. Three engagement meetings were held during October with representatives from each of the Beach Hut Associations (BHA's) in the BCP area (Poole, Bournemouth, Mudeford, Friars Cliff & Gundimore) to discuss the proposals and consider feedback and suggestions.
38. The main concerns raised during the meetings and through related correspondence received are summarised below. Each point raised has been fully considered, helped to shape the proposals and/or led to further information or clarification being provided within the report. BCP Council responses can be seen in **bold** below each point:

a. Increasing market demand

- General concern regarding changes to the beach environment if geographic eligibility restrictions and sub-letting restrictions are removed.

BCP response - To mitigate this concern, only BCP residents* would be allowed to join the waiting lists for standard huts/sites (*exclusions apply).

- Lack of independent research regarding market demand.

BCP response - Evidence suggests that there is consistently strong demand for beach huts in the local area, with examples shown in Para 4.

b. Pricing strategy - increasing income, harmonising rental & transfer fees.

- Noted the Council's general budget constraints and financial challenges and generally accepted inflationary pressures / price rises in Year 1.
- Should not look to income from beach huts to balance budget pressures.

BCP response - Additional income from rental fees, transfers and long-leases will be used to fund new levels of investment to help improve service standards and enable further capital investment in seafront assets as described in Paras 27-31.

- Lack of rationale and evidence to substantiate proposed pricing bands as equitable and reasonable.

BCP response - The proposals aim to offer a more equitable and balanced system and are primarily based on an assessment of demand, quality and access, as outlined in Para 11.

- Concern raised that MOSAIC analysis is subjective, with affordability and cost of living challenges not considered and that the proposals will only be affordable to higher income households, impacting demand.

BCP response - The Council acknowledges in Para 59 that whilst a useful indicator, Mosaic analysis cannot account for every individual circumstance.

- Concern raised regarding removal of resident discount on licence and transfers fees in Christchurch.

BCP response - To mitigate this concern and reduce the impact on the most affected licensees, it is proposed in Para 14 that the residents discount on licence fees (which only applies in Christchurch) is phased out rather than removed in Year 1.

- Requested an analysis of the proposed pricing structure to include maintenance liabilities and services provided in each beach location.

c. Reinvestment to improve service standards and maximise commercial potential.

- General support for reinvestment in beach huts and seafront services/facilities, which improve hut owner experience, particularly toilet/showers facilities.
- Responses to engagement have picked up that previous work by KPMG suggested that if a Special Purpose Vehicle (SPV) was used for the commercial management of beach huts a Commercial Director to manage this would be required.

BCP response – As presented at O&S Scrutiny in September the Council will not be progressing with a SPV for the management of beach huts and the proposals set out in this report do not include the appointment of a Commercial Director however, we are looking to add to the Beach Hut Team to improve services to licensees and also provide additional Seafront Rangers in some areas.

- Further clarity requested regarding the provision of more Seafront Rangers and security measures. Concern that the proposed maintenance investment will not come to fruition and that the Seafront IT system /

additional staff resource should be funded from transformation costs and not beach hut rental income.

- Want to see a stronger commitment to maintenance delivery, a detailed schedule of planned maintenance / improvement works and details of how any new staff roles will benefit the beach hut community

Investment proposals are outlined in Para 27-31 and the financial implications will be included in the Council's MTFP report in Feb 2023 and, subject to approval, form part of the base budget.

d. Changes to terms & conditions of licences, handbooks and waiting lists.

- General understanding of the need to harmonise some Licence terms and conditions and agreed with the proposal to delegate responsibility to allow time for more in-depth discussion.
- Concern raised that some elements of the proposals breach the terms and conditions of Christchurch area handbooks and that terms are needed to reflect local nuances.

The Council does not believe that the recommendations in this report breach the terms and conditions of Christchurch handbooks and will continue to work hard to engage with the relevant BHA's to shape the proposals. Para 51 addresses these concerns and provides information regarding amendment to licence agreements and rental prices.

e. Widening use of long-leases to generate capital and support future development.

- Concern that no age demographic analysis has been conducted which is needed to determine the number of licensees who would benefit from accepting this offer.

- 39.** The BHA's requested that their opposition to the proposals be formally recorded and expressed a concern that not enough time had been allowed to permit sufficient collaboration and exploration of alternative ideas.

Para 22 outlines the timeframe for development and implementation of the proposals. The Council has worked hard to engage the BHA's as much as possible during this process and aims to continue to meet them regularly as amendments to licence agreements are finalised.

- 40.** The BHA's main proposals are as follows:

- a. 10% inflationary increase only to be applied for 2023/24 rental fees
- b. one-year delay in all other proposed changes inc. price harmonisation
- c. review/reduction of proposals for reinvestment to mitigate impact on MTFP

Summary of Financial Implications

41. The cost-of-living crisis is likely to add £55m to the cost of running the Council over the next two financial years and plans to raise funding for the transformation investment programme are no longer available after the government changed the statutory guidance. Therefore, like many Councils throughout the UK, this means that BCP Council is having to review its financial position across all service areas and find new ways to be more efficient and generate additional income. This includes a wide range of commercial services including the provision of beach huts.
42. All beach hut prices shall be subject to annual increases as detailed in Appendix 1a. The underlying base increases in beach hut fees for the 5-year period shall be set at 10% in years 1 and 2 (Mudeford 15%), then 5% in years 3 to 5. Additionally, a number of current price bands are harmonising over the same 5-year period which shall mean some beach hut prices are increasing at a greater rate. At the end of the 5-year period all beach huts in each price band will be aligned.
43. In conjunction with the price increases will be significant investment into beach huts and associated seafront facilities & services, as described in Para 25-29.
44. The table below illustrates the likely incremental effect on the Council's Medium Term Financial Plan (MTFP) of implementing the changes proposed above:

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Additional income from beach hut rental	(833,043)	(829,228)	(407,810)	(411,859)	(437,766)
Additional investment into beach huts, seafront service and ancillary facilities.	523,046	360,100	56,430	59,252	62,214
Net effect on Council's MTFP	(309,997)	(469,127)	(351,380)	(352,607)	(375,552)

45. Over the 5-year harmonisation term the Council shall be investing an additional £4.4m into Beach Huts, Seafront Service and ancillary facilities and the Council's MTFP will benefit by £5.6m.
46. In addition, the fees for transfer prices have also been standardised as shown in Appendix 1a. It is difficult to predict the impact on the Council's MTFP due to the uncertainty regarding the volume and frequency of these transactions, however the Council is confident the amendments to harmonise fees will not have a detrimental effect on the current budget expectations. Please see Appendix 2 for details of transfer fee income over the last 3 years.
47. Any new commercial proposals or changes will need to undertake the necessary financial due diligence to understand and quantify the impact on the costs and benefits, including any tax implications, particularly VAT. The Council may need to opt to tax sites identified for the provision of longer leases to ensure there is no risk from the partial exemption perspective.

48. Subject to approval, the financial implications resulting from the recommendations will be included in the Council's Budget and Medium Term Financial Plan (MTFP) 2023/24 report, due to be considered and approved at the February 2023 Cabinet and Council meetings.

Summary of Legal Implications

49. The Council is empowered to provide huts or other conveniences for bathing and may charge for the use of them pursuant to Section 232 of the Public Health Act 1936. As such the service provided is at the discretion of the Council. The Council also has the power to lease out its property pursuant to Section 123 of the Local Government Act 1972.
50. The Council has granted licences which allow the occupancy of Council owned Beach Huts, or which permit a licensee to place a Beach Hut on a Council owned site. Because these are granted annually, the terms and conditions can be changed when a new licence is granted, and the Council is also permitted to increase the licence fee payable annually.
51. The terms and conditions of the Christchurch Beach Hut Licences permit the Council to vary or delete any of those terms and conditions and to introduce new terms and conditions, although before introducing new changes the Council has promised to consult with the relevant local beach hut associations. There is no requirement to consult on the Licence Fee or any changes required by law or for the purpose of clarification.
52. Other huts are leased out, so the terms and conditions are fixed for the length of the lease. Harmonisation of lease terms and conditions may therefore initially only be possible for new leases.
53. Postcodes were used to develop the Mosaic report for research purposes and no other identifying personal information. This is as permitted by the Data Protection Act 2018 – Schedule 2, Part 6, Paragraph 27. Privacy notices are also published on the Council's website to confirm the purposes for which personal information can be used.

Summary of Human Resources Implications

54. To drive forward the Council's aspirations for Beach Huts, Holiday Lodges and other commercial assets, whilst improving services for licensees and visitors, changes are required within the Seafront Service. These include the Ranger Team and enforcement services and will form part of a wider restructure proposal. The changes proposed to pricing and policies will be implemented using existing staff resources.

Summary of Sustainability Impact

55. There are no direct sustainability implications related to this report.

Summary of Public Health Implications

- 56.** There are no direct public health implications related to this report however, some beach hut tenants may feel their well-being is being impacted by the proposed changes which should be considered as part of decision making.

Summary of Equality Implications

- 57.** An Equalities Impact Assessment (EIA) has been undertaken and presented to the EIA Panel in October. There are no direct implications for equality groups related to the report however, harmonising terms & conditions and waiting lists is addressing an existing inequality and consideration has been given to the impact from a socio-economic perspective using a Mosaic analysis.
- 58.** 'Mosaic' is a comprehensive classification system produced by Experian. It allocates individuals and households into groups and detailed types using post codes. Each group and type have a detailed demographic and socio-economic profile. A Mosaic analysis of tenants and those on the waiting list, has been conducted by the Council's Development Services Team (see Appendix 4 for details). The report suggests that the majority are from more affluent demographics and could be described as "established families in large-detached homes living upmarket lifestyles".
- 59.** It is recognised that whilst it is a useful indicator, the analysis cannot account for every individual circumstance and that the pricing proposal may affect affordability for some beach hut tenants. Harmonisation of prices also means that the strategy may have a proportionately higher impact in some areas.
- 60.** To help mitigate the impact, it is proposed that the changes to pricing are implemented over a 2–5-year period and the Council considers changes to sub-letting policies, to enable more people to afford the cost of hiring a hut on an annual basis and increase the numbers of huts available for short-term hire (see para 31 above).
- 61.** The Seafront Service enables access to beach huts for a range of other Council services including Youth Services; Fostering Services; Carer Support; and Access to Resources (total 6 huts). The Council also supports access by external organisations including the NHS and Royal Life Saving Society. The annual cost of this support is c £40-50k/year in potential revenue income. There are two charitable organisations that rent a hut on an annual basis and may be affected by the fee proposals within this report.

Summary of Risk Assessment

62. Key strategic risks associated with the recommendations:

Risk	Action	Rating
Fall in demand for beach huts	Widen service eligibility within BCP area Open all waiting lists Improve product quality and maintenance Provide additional staff resources for the Beach Hut Team to improve services to licensees and also additional Seafront Rangers in some areas	Low
Increased sub-letting	Increased operational focus on user behaviour and controls No geographic restrictions in Christchurch and few related issues Could lead to increased maintenance on BCP owned huts that are sub-let more regularly Advise insurers regarding any changes in terms which may impact premiums	Med

Background Papers

- Report to Corporate and Community Overview and Scrutiny on the Commercialisation of Beach Hut Assets via a Special Purpose Vehicle (SPV) Sept 2022 ([LINK](#))
- BCP Council Big Plan ([LINK](#))
- BCP Council Seafront Strategy ([LINK](#))
([LINK](#) to related Cabinet Report April 2022)
- Links to Beach Licences, Leases and Handbooks:
 - [Bournemouth](#)
 - [Christchurch](#)
 - [Poole](#)

Appendices

- **Appendix 1** - 5-year pricing strategy for beach huts
- **Appendix 2** - Beach hut information
- **Appendix 3** - Future Commercial Options
- **Appendix 4** - MOSAIC analysis of tenants