

BCP Council determination of local discounts for Beach Chalets	
Date: effective from 1st April 2026	Author: Darren Vickers, Head of Council Tax
Purpose/Introduction	To ensure the categorisation of Beach Chalets is consistent across the BCP area.
Summary	This report reviews the categorisation of the Beach Huts on the Mudeford Sandspit and Hengistbury Head and amends the current discount structure.
Recommendation	It is recommended that Council: a) Regularise the classification of Beach Chalets at Mudeford Sandspit and Hengistbury Head to Class A (second home with planning restrictions) from 1 April 2026. b) Approve that the Beach Chalets on Mudeford Sandspit and Hengistbury Head do not attract a local discount from 01 April 2026 onwards.
Reasons for the recommendation	The legacy Councils charged 50% Council Tax for the beach chalets (huts) at Mudeford Sandspit and Hengistbury Head under different categorisations • the Beach Chalets in legacy Bournemouth were specifically excluded from Class A and B second home and awarded a 'local discount' of 50% by legacy Bournemouth Borough Council • the Beach Chalets in legacy Christchurch were classified as a pitch occupied by a caravan, which allows a 50% reduction in the charge. The technical opinion from leading professional bodies is that the Chalets should be classified as Class A second homes (ones with a planning restriction) and therefore liable for a charge of 100% Council Tax. There is no discount for a Class A second home change, but as they are subject to a planning restriction, they are excluded from attracting a second home premium. The reclassification of the Chalets is required, to ensure they are classified in accordance with professional opinion.

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	If the Chalets were classified as Class A from 1 April 2026, they will attract a 100% Council Tax charge. This could create an additional £211,000 in annual income for BCP Council.
Supporting Information	There are 342 Beach Chalets within Mudeford Sandspit and Hengistbury Head. 111 of these have their sole or main residence in the BCP Council area. Each chalet is a Council Tax band A. In accordance with the rest of England, this is based on the value of the property as at 01/04/1991. This cannot be altered or amended as the Valuation Office Agency will not revalue properties in a defined area, they will only revalue specific properties provided there has been a material change in the structure. There are planning restrictions on these chalets preventing overnight sleeping between 1 November and 1 March (120 days). As part of the consolidation of 3 databases into a single one, for 2025/26, all the Beach Chalets were classified as a pitch occupied by a caravan, which professional bodies consider to be incorrect.
Details of Advice	Institute of Revenues, Rating & Valuation (IRRV) technical panel advised: <i>"There is (I assume) a planning restriction on the use of the beach huts, they will not be subjected to a higher amount (premium). The level of council tax which should be payable on these beach huts should be at whatever tax your billing authority has set with regard to Class A to SI 2003/3011 (as amended) as long as I am correct about the planning restriction."</i> The IRRV suggested that we do not need to give notice of the termination of any discount, but the backdating of any removal is not recommended. However, they have suggested sending a letter to the taxpayers concerned advising of the re-categorisation due to a point of law and confirming they will not be subject to the premium. Airey Consultancy Services Ltd advised: <i>"It is clear that beach huts are included within the definition of 'second homes' for the purposes for Council Tax and will be subject to any charge which applies to Class A second homes."</i>

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	<i>Should the Council wish to apply a standard charge (as applies to other second homes) then a charge of 100% should be applied to this category of dwelling. No premium could be applied in accordance with Council Tax (Prescribed Classes of Dwellings and Consequential Amendments)(England)Regulations 2024."</i>
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