

**Exempt Information: Not for publication**

*(1)The content of this appendix qualifies as exempt information under Section 100(A)(4) and paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 as it is “information relating to the financial or business affairs of any particular person (including the authority holding that information)” and*

*(2)In relation to the “exempt” information, it has been determined that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure would adversely affect the authority’s ability to manage its commercial financial and business affairs. Accordingly, Appendix 1 should remain exempt.*

Subject: Fees and Charges Beach Huts

Report to: Executive Leadership Team – 11<sup>th</sup> November 2019

Policy and Resources – 26<sup>th</sup> November 2019

Report by: Head of Property and Asset Management

**SUBJECT MATTER/RECOMMENDATIONS**

To approve the rental and sale options for the Beach Huts located on the Lower Promenade, Gorleston-on-Sea.

**1. BACKGROUND**

Beach Huts have now been located on the Gorleston Lower Promenade since May 2019.

Since installation four units have been sold with others being rented both monthly and for the remaining annual period.

The original scheme offered the opportunity to purchase Beach Huts based on a 25-year lease. Following the initial installations in July 2019 a short-term rental option was approved by Council. The rental options were based on a weekly and monthly rental for the financial year to end March 2020.

The sale price for the Beach Huts was reached through independent valuation and is based on a lease together with an annual ground rent charge for the use of the amenity block including cleaning and services together with an onsite Beach Hut Warden.

It should be noted that Beach Huts are subject to Business Rate charging.

This report now considers options around the sale and rental of Beach Huts going forward.

**2. CURRENT SITUATION**

Initial interest in the Beach Huts was significant and seen as a positive addition to the Gorleston promenade. Following a tender submission from local Estate Agents the sale price of £16,500 excl. VAT was agreed. This price was based on a 25 year ground lease.

This report sets out the opportunity to consider an optional shorter lease period which although still based on the original sale price would give purchasers additional options.

The introduction of a 10 year lease period together with the option to purchase for 25 years would enable a wider range of purchasers to become owners of the units. The calculation would consider the total lease period and the cost of the Beach Hut. The calculation is included as part of the confidential appendix 1 for reference.

In addition to the above it is also proposed to widen out the opportunity for rentals of the units. Offering the ability to rent for a week, month or annually with prices varying across the low, medium and high season.

All rental options would be managed and operated through the Property and Asset Department.

### 3. PROPOSAL

The additional sale option and the rental fees are based on the original sale price but have also taken into consideration charges for Beach Huts in the surrounding areas, appendix 2. The following table outlines the proposals for the 2020/21 year. Following this all Beach Hut charges will form part of the annual Fees and Charges review:

Beach Hut Rates	2019/20	2020/21
	Charges excluding VAT	Charges excluding VAT
Beach Hut Purchase with 25 year ground lease	16,500	16,500
Beach Hut Purchase with 10 year ground lease		9,000
<b>Ground Rent Fees and Hire Charges 2019/20</b>		
Annual Ground Rent Charge - owners	750	
Part year rental 8 months	1,000	
Weekly Rental Charge	100	
Monthly Rental Charge	250	
<b>Ground Rent Fees 2020/21</b>		
Annual Ground Rent Charge - owners RPI+2%		780
<b>Hire Charges 2020/21</b>		
<b>Annual rental April - March per year</b>		1,571
<b>Weekly rental</b>		
Low Season - April / November / December / January / February / March		£40pw
Mid Season- May / June / September / October		£100pw
High Season - July / August		£150pw
<b>Monthly Rental Charge</b>		
Low Season - April / November / December / January / February / March		£120pm
Mid Season- June / September / October		£300pm
High Season - July / August		£450pm

The above information is in accordance with Section 19 of the Local Government (miscellaneous Provisions) Act 1976, a Local Authority is entitled to apply for recreational facilities and apply such charges as it feels appropriate.

#### 4. RISKS

Risk	Mitigation
Additional units will need to be constructed on site to ensure availability for purchasers and rentals they may not be fully utilised reducing in additional cost to the Council.	Marketing and promotion of the site to be reviewed including both sale and rental options to enable wider marketing opportunities for the units.
Owners who have purchased without the reduced lease option being disadvantaged	Longer lease offering increased opportunity to sell together with reduced premium payment on sale.

#### 5. RECOMMENDATION

For the Fees and Charges to be agreed as per of the following proposal:

Beach Hut Rates	£ (excl VAT)
Beach Hut Purchase with 25 year ground lease	16,500
Beach Hut Purchase with 10 year ground lease	9,000
Ground Rent Fee	780
Hire Charges 2020/21	
<b>Annual rental</b> April - March per year	1,571
<b>Weekly rental</b>	
Low Season	
April / November / December / January / February / March	£40pw
Mid Season- May / June / September / October	£100pw
High Season – July / August	£150pw
<b>Monthly Rental Charge</b>	
Low Season	
April / November / December / January / February / March	£120pm
Mid Season- May / June / September / October	£300pm
High Season – July / August	£450pm

Area for consideration	Comment
Monitoring Officer Consultation:	Considered
Section 151 Officer Consultation:	Considered and included

Existing Council Policies:	Fees and Charges Policy
Financial Implications:	Yes
Legal Implications (including human rights):	Yes
Risk Implications:	Yes
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No

## Appendix 2

<u>Beach Hut Location</u>	<u>Max Rent Week/Min Rent Week</u>	<u>Max Rent Day/Min Rent Day</u>
Hunstanton, Norfolk	£200/w - £150/w	£40/d - £30/d
Sea Palling, Norfolk	N/A	£40/d - £35/d
Hunstanton, Norfolk	N/A	£70/d first 4 days then £60/d
Hunstanton, Norfolk	£150/w - £100/w	£30/d - £25/d
Wells-Next-The-Sea, Norfolk	£250/w - £200/w	£50/d - £40/d
Wells-Next-The-Sea, Norfolk	£330/w - £210/w	£55/d - £36/d
Wells-Next-The-Sea, Norfolk	£240/w - £105/w	£55/d - £35/d
Wells-Next-The-Sea, Norfolk	£210/w - £210/w	£35/d - £35/d
Wells-Next-The-Sea, Norfolk	£250/w - £150/w	N/A
Wells-Next-The-Sea, Norfolk	£220/w - £200/w	£50/d - £40/d
Wells-Next-The-Sea, Norfolk	£420/w - £210/w	£60/d - £32/d
Wells-Next-The-Sea, Norfolk	£275/w - £200/w	£50/d - £30/d
Wells-Next-The-Sea, Norfolk	N/A	£50/d - £50/d
Old Hunstanton, Norfolk	£150/w - £100/w	£30/d - £15/d
Lowestoft, Suffolk, Pakefield	£150/w - £70/w	£30/d - £15/d
Lowestoft, Suffolk, Pakefield	£140/w - £50/w	£30/d - £15/d
Lowestoft, Suffolk, Pakefield	£125/w - £40/w	N/A
Lowestoft Beach, Suffolk	£120/w - £49/w	£20/d - £10/d
Southwold, Suffolk	£275/w - £250/w	£65/d - £60/d
Southwold, Suffolk	£180/w - £135/w	£45/d - £35/d
Southwold, Suffolk	£220/w - £190/w	£55/d - £50/d
Southwold, Suffolk	£195/w - £195/w	N/A
Southwold, Suffolk	£339/w - £195/w	£65/d - £55/d
Southwold, Suffolk	£190/w - £190/w	£40/d - £40/d

<u>Distance to Toilet</u>	<u>Distance to Tap</u>	<u>Distance to Parking</u>	<u>Distance to Shower</u>
100m	50m	100m	N/A
400m	N/A	10m	400m
40m	20m	40m	N/A
50m	20m	50m	N/A
100m	20m	100m	N/A
30m	3m	200m	N/A
100m	80m	200m	100m
20m	10m	200m	N/A
300m	200m	200m	N/A
100m	20m	100m	100m
100m	50m	200m	100m
75m	25m	50m	N/A
100m	50m	400m	N/A
200m	100m	200m	N/A
50m	50m	50m	N/A
5m	5m	10m	100m
25m	25m	50m	1000m
50m	50m	50m	100m
5m	20m	10m	N/A
100m	30m	400m	1500m
100m	6m	3m	100m
300m	10m	3m	N/A
5m	20m	10m	N/A
10m	20m	20m	N/A

## Calor Gas

yes

yes

yes

yes

yes

yes

yes

yes

N/A

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes