

# FAREHAM BEACH HUT ASSOCIATION

**Secretary: Miss Ann Jones**  
**11, Funtley Lane Funtley Fareham Hampshire PO17 5EH**  
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**Email address: [fbhaa@aol.com](mailto:fbhaa@aol.com)**

15 July 2014.

Mr G. Lloyd, FRICS  
Head of Estates  
Fareham Borough Council  
Civic Offices  
Civic Way  
Fareham PO16 7AZ

Dear Mr Lloyd,

In his letter to you dated 4 July Percy O'Dell, the Chairman of this Association, indicated that I would be preparing a detailed response to your proposed increase of the beach hut site rents from 1 April 2015. I am a Committee member of the Association.

The Association is advised by its solicitors, Blake Laphorn (now Blake Morgan) who wrote to you on 22 November 2013 in relation to the Beach Hut Contract Clause 2. Blake Laphorn expressed our view that a clause which permits the Council to increase the site rent 'to such a sum as the Council in their absolute discretion shall decide', is a very one sided contract and places hut owners at a considerable disadvantage.

It is therefore disappointing that this same clause is used in the opening part of Fareham Borough Council's letter to beach hut owners concerning the proposed increase in the ground rent before shocking them with a proposed 26% increase.

The Association can appreciate that, in this time of financial constraint, the Council needs to take steps to increase revenue streams wherever possible. The Council should take into account that many of the beach hut owners are senior citizens and as such have limited disposable income and have taken significant financial hits during the recession.

The Council's budget guidelines state that fees and charges are 'to be increased to achieve a 5% increase in income *'wherever possible and desirable'*. This suggests that the Council recognizes that even an increase of 5% may not be achievable in every year; it certainly does not indicate that an increase of 26% should be planned for. Additionally the guidelines state that 'every effort is to be made to identify new sources of income'. Beach hut site rents are not a *new* source of income. Over recent years the beach huts have provided increasing income for Fareham Borough Council but it is our belief that this 'sacred cow' should not be milked dry.

The Association appreciates that the Council may wish to look at beach hut site rents in other local authority areas to establish a level of relativity.

Gosport Borough Council owns the beach huts that it leases on 3 year contracts. We accept that no direct comparison can be made but it is interesting that Gosport have significantly reduced rates for senior citizens and a further reduction for disabled tenants.

You have made a direct comparison with Havant Borough which operates an annual leasing arrangement on the huts which it owns but also has privately owned huts. The rents of £477 and £954 which you are now proposing will take effect from 1 April 2015 are exactly those charged by Havant to its beach hut owners in the current financial year.

The comparison with Havant beach huts cannot be a fair one. Havant's beach huts are in Hayling Island which is a nationally recognised holiday resort. It has holiday camps, areas set aside for caravan holidaymakers and numerous hotels and guesthouses. Hayling Island has been awarded a Tidy Britain Seaside Award and also can boast two European Blue Flag Awards. The beach area has a narrow gauge railway running along it plus the Beachlands fairground facility. All this would move towards a premium on beach hut site rents in Hayling Island / Havant.

For those reasons this Association contends the comparison you have adopted is not a fair one, the beach hut site rents are not a 'new source of income'. The 26% increase in a single year cannot be fair, equitable or justified. If the Council cannot be persuaded to maintain the status quo, the Association would wish to seek an agreement of the nature proposed by Blake Lapthorn in their letter of the 22 November 2013. We would be looking for an agreement to a three yearly review which is index linked. At our meeting on 23 July we would have to decide what the % increase would be.

We do not believe that the Council should abuse its contractual right to determine the site rent 'in its absolute discretion' simply by putting a wet finger in the wind and reaching a figure without full justification and structure.

It should also be borne in mind that for the vast majority of owners the use of their beach hut is very seasonal and weather dependant. The proposed rent could be seen as equating to £40 / £80 per month on an annual basis, but in 'usability' terms the figures are more like £100 / £200 per month.

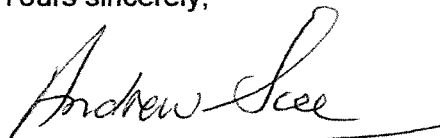
Representatives of the Council have previously referred to beach huts being 'a valuable piece of real estate'. We recognize some of the 'sheds on the beach' can make good prices when sold on the open market. The Association is not aware of any of our members who own a beach hut because it is a good investment. Most are elderly, have owned their huts for many years, often bequeath them to family members and certainly have no intention of selling them to make a quick buck. The value of the hut is of no practical interest to them. The potential resale value of the huts should have no bearing on the level of site rent which the Council sets.

Your correspondence with the Association throughout 2013 indicated that beach hut rents would be reviewed and the Association expected that it would be included in discussions as part of that review, not after it was concluded. Blake Laphorn's letter of the 14 April 2014 addressed to Karen Boothroyd remains unanswered but asked whether a review had yet taken place and, if it had not, stated that we would welcome the opportunity to make representations to it before any decisions were made.

Councillor Woodward, as minuted in the Executive Meeting 2 December 2013 requested officers to undertake a full review of beach hut rents during 2014/15 in response to the Association's deputation to the meeting presented by Percy O'Dell. It was expected, from Councillor Woodward's remarks, that this would include the Association.

Your department has already made a decision on rent which has been communicated to beach hut owners without any prior consultation with this Association. We hope that our meeting on the 23<sup>rd</sup> will produce a better conclusion.

Yours sincerely,



Andrew Slee

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11, Funtley Lane Funtley Fareham Hampshire PO17 5EH  
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28 July 2014.

Mr G. Lloyd, FRICS  
Head of Estates  
Fareham Borough Council  
Civic Offices  
Civic Way  
Fareham PO16 7AZ

received  
4/8/14

Dear Mr Lloyd,

The Association were pleased that finally on the 23 July the long asked for and promised meeting, to discuss the Beach Hut rent review, took place. I hope now, as Officers, you have a better appreciation of the Association's point of view.

We were invited, following the meeting, for which I thank you, that if we wished to amplify some of the points we made we could send an addendum to my letter dated 15 July that will be presented as an appendix to your report to the Members of the Executive, at the Executive meeting to take place on the 1 September.

Please accept this letter as the addendum.

## **Comparability**

We understand that your remit, in line with Council policy, was to make a comparison with 'similar services in neighboring authorities'; you focused on Gosport and Havant Boroughs. In your view these are the only neighboring authorities.

We agree that Gosport can be disregarded as the beach huts in that Borough are not privately owned but rented out by the Council on a different basis.

Your review therefore appears to have had exclusive regard to the site rents charged in Hayling Island. This is where the Havant Borough beach huts are

situated. It is now your proposal to match those rents in Fareham which will produce a 26% increase on the current site rents.

It remains our firm belief that the comparison with Hayling Island is not a fair one for the reasons set out in the Association's earlier letter. Essentially, Hayling Island is a well recognised tourist resort with enhanced beachside facilities which must add a premium to beach hut site rents in that area whether or not hut owners choose to avail themselves of these attractions. Not a 'like for like' comparison with Hill Head.

Clearly not all local authorities have coastlines on which to place beach huts and others administer them on a basis which is incomparable with the arrangements in Fareham. It is therefore our view that your review ought to have extended beyond the immediate area so as to make comparisons with more similar geographical beach hut sites along the Solent coast rather than simply attaching itself to Havant.

We enclose a schedule of information which has been gathered on rents for the current financial year in the areas of a number of other local authorities along the south coast. So far as we are aware all other factors are identical to those in Fareham where they are known to differ this has been noted.

As well as our view of the lack of a fair comparison with Havant, you will note that Hayling Island has the highest of all site rents on the south coast. The current site rent in Fareham, at £379, is around mid-table; in our view this seems to be set at just about the correct level on a comparison basis.

To continue next year with a linkage to increases in charges and fees for other Fareham Council services would seem to be more than adequate.

#### **Future Site Rent Determinations**

We recognise that contractually, as per Clause 2 of the Contract, the Council has the right to determine site rents 'in their absolute discretion'. It is our considered view that in the interests of transparency and open governance, the hut owners should be given an assurance on rent levels for the next few years and that there are advantages in such an arrangement for Fareham Borough Council in this as well as Fareham Beach Hut Association.

We would suggest that any decision of the Executive at its September meeting should include the rent levels for the following two financial years. This could be achieved in a variety of ways: perhaps fixing the site rent for 3 years, applying

RPI increases each year, or the same annual increase as other charges and fees.

Clearly this is a suggestion which may need more detailed consideration but its adoption would provide beach hut owners and the Council with an assurance on their respective outgoings and income for the following years. It would have the added effect of removing the necessity for the Council officers of notifying each owner every January of the level of rent for the forthcoming financial year.

The Association's suggestion is that a properly structured Review, including fair comparisons with a range of other local authorities, should take place every 3 years rather than the 10 years which has now elapsed since the previous review.

### **Rents for Owners Residing Outside the Borough**

As well as Borough residents, this Association has members who reside outside the Borough.

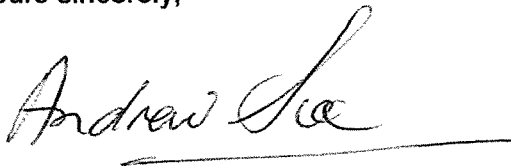
We are aware that previously the Executive has adopted the view that the Council should fundamentally provide facilities for residents of the Borough and those from outside should expect to pay more.

The current 'double rent' policy has the effect of producing an ever widening gap in monetary terms. Havant is the only other authority on the south coast which has such policy. New Forest DC charges a higher site rent to non-residents and it applies only a 40% uplift.

We would suggest a reassessment of the differential should now be made.

The Beach Hut Association would ask that the Executive give a proper consideration to the views of its members expressed in this and our earlier letter.

Yours sincerely,

A handwritten signature in black ink that reads "Andrew Slee". The signature is written in a cursive style and is positioned above a horizontal line that serves as a separator between the signature and the printed name below.

Andrew Slee

## **BEACH HUT SITE RENTAL COMPARISONS**

<b>Council</b>	<b>Area</b>	<b>Annual Rental incl VAT £</b>
Adur	Worthing Central	470
	Worthing, Brighton Road	350
	Lancing, West Beach	350
	Shoreham Beach Green	350
Arun (Service Contracted Out)	Littlehampton , Felpham and Ferring	408
Brighton and Hove	Hove Promenade	314.75
Dover	Kingsdown, Deal	380
Hastings	Combe Haven East	475.84
	Combe Haven West (Front Row)	475.84
	Combe Haven West (Mid/Back Row)	397.21
	Glyne Gap East	357.90
	Glyne Gap West	319.48
Havant [a]	Hayling Island	477
Isle of Wight	Appley, Puckpool, Dunroamin, Little Stairs, Colwell, Gurnard and East Cowes	267.54 [b]
New Forest [c]	Barton-on-Sea and Milford-on-Sea	454
	Calshot and Hordle Cliff	412 – 547 [d]
Rother	Bexhill East Parade	367
	Glyne Gap	367

[a] Havant charge is double for non-residents of the District.

[b] Isle of Wight rent is for sites up to 5 metres in length.

[c] NFDC charge for non-residents of the District is an additional 40% and a £10 reduction is made for rents paid before 1 April each year.

[d] Rent dependant upon floor area and a comparison with Fareham would give a maximum of £454. Each hut has running water and can be slept in for upto 30 nights per annum.

Note: Other than as noted above no additional charges are levied for non-residents of the local authority area.