

RECORD OF DECISION TAKEN UNDER CABINET MEMBER DELEGATED POWERS AT COUNTY HALL, NEWPORT, ISLE OF WIGHT ON 24TH JANUARY 2019

THE CALL IN PERIOD FOR THIS DECISION EXPIRES AT 5.00PM ON 1 February 2019. THE DECISION CANNOT BE IMPLEMENTED UNTIL AFTER THAT DATE.

Present: Cllr Stuart Hutchinson - Cabinet Member for Resources
Jennifer Beresford – Democratic Services Officer

Item	Beach Huts Review
Reference	14/18
Notice of Decision Published	14 December 2018
Decision taken	<p>THAT Options 4 and 6 be adopted but with a pause or freeze at the end of the second year to review the effect of the changes (including whether differing locations are affected differently);</p> <p>i. THAT the new ten-year leases be provided to the existing beach hut tenants when the current licence expires with the additional benefits as per paragraph 8 of the report.</p> <p>ii. THAT the proposed rental increases in line with the methodology set out at paragraph 12 of the report be implemented over a phased five year period, commencing on 1 April 2019. The phased increase over this length of time would enable the increase to be paused, deferred or cancelled should market conditions change. Three months prior to the end of the second year of phasing, the market shall be reviewed and a formal freeze on increases shall take affect should conditions have changed.</p> <p>As a result of representation that an additional option is added that:</p> <p>An existing named licence holder may choose to continue with a three-year renewable licence on the same terms and conditions as they have previously enjoyed. A renewed licence will be available from 1st April 2019 at those terms and uprated for inflation since the last increase as measured by the Consumer Price Inflation index. This option will be available solely to existing named licence holders.</p> <p>The licence holder may also choose at any point during the term of the licence to transfer to the lease arrangements as set out in the report, the length of the lease being for the unexpired period of 10 years</p>

	<p>commencing from 1st April 2019. Should the licence holder sell or otherwise transfer ownership of the hut, a lease of the land upon which it stands will be offered to the new owner under the arrangements as set out in the report, also for the unexpired period of ten years commencing from 1st April 2019 and with an option to renew.</p>
<p>Reason for decision</p>	<p>For very many years, until about 2012, licences were issued simply by rolling them forward and at a very low cost. Up to that point as little as £2 per week. A limited review then altered the level of charge, but with no other change. Licence holders have therefore had the benefit of low rates and yet have enjoyed, upon any sale, the substantially increased commercial value of any hut, which is solely attributable to its location. The options set out in the main report identify the revised lease cost and the benefits to leaseholders of the change to the terms and conditions.</p> <p>However, mindful that the changes and decisions in the report are substantial and in recognition of the representations made I have determined to add an option for existing licence holders. In practical terms this means that existing licence holders will have a choice to continue with their present arrangement, but without the security and additional benefits the lease arrangement offers.</p>
<p>Additional reasons</p>	<p>In response to representations received regarding the decision in respect of the level of the increase, option 4 and 6 were accepted but a further option above was made.</p>
<p>Options considered and rejected</p>	<p>No further option were rejected from the previous report</p>
<p>Representations Received</p>	<p>Since the re-publication of the paper additional written representations from licence holders have been received, mainly reiterating the views expressed previously. I have also had informal emails and oral representations from other Councillors.</p> <p>Many of the comments made express the view that some existing licensees have had the licences for many years, and that others more recently have taken on licences with the expectation that there will be no change in the terms of their occupation and that the low rental rates would continue. In view of this, it has been suggested, and I have accepted, that existing licence holders be given</p>

	recognition of this position.
Declarations of interest	None declared
Additional advice received	None received since the previous report

Signature.....

Date