



Title: **Beach Hut Fees and Charges for 2012/13**

Public Agenda Item: **Yes**

Wards **All Wards in Torbay**

Affected:

To: **Council**

On:

**8 December 2011**

Key Decision: **Yes – Ref. I003937**

Change to  
Budget: **Yes**

Change to  
Policy  
Framework: **No**

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## **1. What we are trying to achieve and the impact on our customers**

- 1.1 The Council has needed to respond boldly to the Coalition Government's plans and the state of public finances that became evident through the second half of 2010.
- 1.2 In response to this the Council has undertaken a review of all its service areas to improve productivity and maximise income generation.
- 1.3 This report identifies proposals to maximize income in relation to the beach hut charging policy.
- 1.4 This project, if approved, will form part of the Council's 2012/13 budget setting process.
- 1.5 Approval is being sought to agree the proposed revision to Beach and Amenity charges for 2012/13 prior to the formal budget setting process so that customer notification and billing can be undertaken in advance of the new financial year.

## **2. Recommendation(s) for decision**

- 2.1 That the proposed revision to Beach and Amenity charges for 2012/13 as detailed at Appendix 1 to the submitted report be approved.

### **3. Key points and reasons for recommendations**

- 3.1 The overall Revenue Income Optimisation (RIO) review undertaken by the Council was to help the Council identify significant savings and meet the financial challenges that are set to impact us over the next 4 years.
- 3.2 The original project team undertaking the review worked with Residents and Visitor Services to develop a business case for developing the beach service which included the variation of the charging structure. This original business case was completed in April 2011.
- 3.3 The charging policy looked at the demand in each of the beach hut locations, considered the length of waiting lists and bench marked against other comparable resorts before proposing the charging structure in appendix 1.

**For more detailed information on this proposal please refer to the supporting information attached.**

**Sue Cheriton  
Executive Head Resident and Visitors Services**

## Supporting information

### A1. Introduction and history

- A1.1 The Council needs to respond boldly to the Coalition Government's plans and the state of public finances that became evident through the second half of 2010. As a result of this the Council established the Productivity Improvement Programme (PIP) in October 2010. PIP included the following three projects: 1. Torbay Council Design (currently on hold); 2. Procurement; and 3. Revenue Income Optimisation (RIO).
- A1.2 A collaborative approach was used to identify and develop income generating opportunities working closely with lead officers from across the Council. This final Beach Hut charging structure was part of these developments and has been researched fully including benchmarking against other resorts to ensure these are comparable to the demand.
- A1.3 The existing seasonal huts and sites have 100% occupancy every season. The short let huts need to be let for an average of ten weeks each season in order to achieve the same revenue derived from a seasonal let.

#### Number of Huts & Sites

Beaches	Beach Hut	Site	Short Let	Roof Chalet	Totals
Broadsands	18	141	21		180
Corbyn Head		51	5		56
Goodrington South Sand	46	7	31		84
Meadfoot Beach	35		11	23	69
Oddicombe Beach	13		8	14	35
Preston Sands	73	219	31		323
Preston Marine Parade	16	94	4		114
Roundham	15	80			95
Youngs Park	2	46			48
Breakwater Beach	3				3
Goodrington North Sand		50			50
Shoalstone	10				10
<b>Totals</b>	<b>231</b>	<b>688</b>	<b>111</b>	<b>37</b>	<b>1067</b>

- A1.4 The waiting lists show an average time of waiting for each beach as a whole, rather than the person that has been on the list the longest; as this may refer to someone waiting for a single specific site.

## Beach Hut Waiting Lists

Beach Hut Locations	Approx. No. on Waiting List	Approx. Length of Wait
Shoalstone Pool	12	1yr
Breakwater Beach	10	2yrs
Broadsands Beach	131	6yrs
Goodrington Sands South	90	6yrs
Goodrington Sands North	41	5yrs
Youngs Park	50	3yrs
Roundham Head	56	4yrs
Preston Sands	296	5yrs
Preston, Marine Parade	169	6yrs
Corbyn Head	64	11yrs
Meadfoot Beach	171	13yrs
Oddicombe Beach	47	8yrs

A1.5 A full break down of the benchmarking is provided in Appendix - 3  
The bench marking chart breaks down council beach huts and site only, where the hut is provided by the customer. The cost for a Torbay beach hut when considered as 'corrected per square foot', and also on the basic charge per beach hut, shows Torbay to be about average in it's pricing structure. When considering the position for site only the cost 'per square foot correction places', Torbay is near the top on pricing structure. However, taking a more pragmatic view of the cost per average sized hut up to 6' x 8' the comparison would reasonably put Torbay much lower down this table, allowing for price increases whilst still comparing favourably with other locations of a similar type.

## A2. Risk assessment of preferred option

### A2.1 Outline of significant key risks

Issue/ Risk	Impact (H / M / L)	Proposed management actions
Customer resistance on pricing policy resulting on loss of customers	M	Prices have been researched and the charges proposed are comparable for other resorts.

### A2.2 Remaining Risks

Issue/ Risk	Impact (H / M / L)	Proposed management actions
Fall off of existing Beach Hut users due fee increases.	M	There is a waiting list for the units and therefore it is unlikely that tenancies will not be found for existing huts if current customers are lost or move elsewhere

### **A3. Other Options**

A3.1 Not to proceed with the proposed graduated pricing structure and revert to a single % increase pricing policy. This would not take into account demand as shown in 1.4.

A3.2 Not to increase prices for 2012/13.

### **A4. Summary of resource implications**

A4.1 The Residents and Visitor Services Business unit may have additional pressure on the beach services team due to additional enquiries which may be received with customers changing sites to areas of less demand, and offering facilities to new customers on the waiting list.

### **A5. What impact will there be on equalities, environmental sustainability and crime and disorder?**

A5.1 An equality impact assessment (EIA) for the Beach Hut project has been completed. This is attached in Appendix 2.

### **A6. Consultation and Customer Focus**

A6.1 The Beach Hut User Group (BHUGS) have been consulted on the likely high increase in charges for 2012/13. Feedback on the charges review has indicated that the level of increase is of concern to most users.

### **A7. Are there any implications for other Business Units?**

A7.1 There will be implications for the following Business Units:

- Residents and Visitor Services Business Unit – Resort Team

### **Appendices**

Appendix 1 – Proposed Fees and Charges for 2012/13

Appendix 2 – Impact Assessment

Appendix 3 - Bench Marking