

Beach Hut & Chalet Review

Overview & Scrutiny Task & Finish Group 2018



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Beach Hut & Chalet Review

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1. Introduction

North Norfolk District Council (NNDC) currently manages 325 beach hut sites and 93 chalets in four of its coastal resorts of Cromer, Sheringham, Overstrand and Mundesley. These provide an important aspect of the tourist offer and judging by the waiting lists, there is strong demand from both locals and regular visitors to the area.

Recent storms, particularly the tidal surge in December 2013, have had a significant impact on the make-up of the offer with the creation of additional huts sites in favour of replacing destroyed chalets.

Since 2015 the beach hut and chalet service has been part of the Leisure and Localities team, previously forming part of the Assets section.

This report outlines the findings of a review undertaken of this service in order to identify operational improvements and highlights options for future efficiencies and service enhancements.



PART 1: THE CURRENT SITUATION

2. Summary of Provision

i) Location & Stock

In the past few years the popularity of beach huts and chalets has increased significantly with a trend towards staycations and a return to the traditional seaside, family orientated holiday. Anecdotally the huts have always been popular with local people seeking a quiet 'home from home' space from which to enjoy our beautiful coast.

As a consequence of these trends, the emphasis on the past few years of this service was to increase numbers of units offered in an effort to increase income and satisfy the ever growing waiting list

The storm surge of 2013 saw the destruction of 40 brick chalets and the devastation of huts along our coast line. Following this, and being mindful of the increasing cost of upkeep on chalets, the numbers of hut sites was increased in favour of replacement chalet blocks which have significant ongoing costs which the hut sites do not.

The siting of the huts and chalets has always concentrated on the four key beach resorts under NNDC management – Cromer, Sheringham, Overstrand and Mundesley. Wells beach, well known for its beach huts, is under the ownership of Holkham Estates. This review will identify other potential hut sites for consideration. Given the vulnerability of our coast line the policies will also be reviewed to determine their suitability to current processes and coastal management.

ii) Chalet Condition overview

Varying in age from Edwardian to circa 1970s their construction varies from rendered brick to breezeblock, all have windows and external doors. Winter protection to windows and doors takes the form of di-bond panels fixed to each chalet every autumn and removed each spring. In 2017 roller shutters were fitted on the lower art deco block as these (on adjacent cafe) fared well in the January storm and have the benefit of allowing easy access. The basic construction of the chalets, with no insulation, little ventilation, single glazing and, in most cases, no electricity, means that the chalets suffer from ongoing issues. Problems are perennial – particularly bad following each winter when chalets have remained closed for long periods of time. Mouldy or discoloured and damp walls and peeling paintwork are regular features of the maintenance programme. The salt air and sea water causes havoc with locks with most needing replacing every 2-3 years, padlocks often need replacing annually.

Location	Beach Huts		Chalets	
	Pre 2013 Tidal surge	2018	Pre 2013 Tidal surge	2018
Cromer East	68	85	40	40
Cromer West	21	37	64	24
Overstrand	37	51	0	0
Sheringham	73	92	29	29
Mundesley	60	60	0	0
Total	259	325	133	93

Without exception, the chalet blocks, because of their sea side position, are vulnerable to the harsh environment and storm damage. The tidal surge of Dec 2013 wreaked havoc on the Cromer chalets and huts along the coast. The lesser surge in January 2017 brought further chalet damage and loss of huts. Chalets situated above prom level tend to fair better.

Current Chalet stock

Cromer East Block 1) 15- 25 Block 2) 28 – 41



42-46



Block 47 – 54



Cromer West Grade II Listed Edwardian Block 34-39



Art Deco Block - 126-131 lower 132—142 upper



Sheringham Chalets

Nos 1-12



Nos 13-18



Nos 19-29



Recently the rolling programme of maintenance has been disrupted by having to deal with the effects of tidal flooding causing ad-hoc repairs and decoration to all chalet blocks affected.

On-going maintenance budgets do not permit significant improvements to be made and merely serve to 'hold' the line on internal and external repairs.

Previous capital input sought, partly through insurance conditions, to return properties to their previous state. It should be noted that, due to the insurance claims history following the recent storm surges, that there is an excess of £1,000 per chalet on any claim.

At this stage there are limited records on chalet maintenance but recent changes to the management of the repairs and maintenance of the chalet stock has seen responsibility for this passed to the Asset Maintenance team allowing the current team more time to focus on strategic and customer service aspects.

3. Charges

Out of the 325 hut sites and 93 chalets the Council lets, the majority are let on a rolling annual licence scheme with 14 huts and 16 chalets being let on a weekly basis by the Council.

i) Annual Licences

Charges

The following tables indicate the charges for hut sites and chalets for the past 5 years.

Hut sites

£ year ending	14/15	15/16	16/17	17/18	18/19
Cromer	220.00	220.00	250.00	300.00	400.00
Sheringham	220.00	220.00	250.00	300.00	400.00
Overstrand	220.00	220.00	250.00	300.00	400.00
Mundesley	210.00	210.00	240.00	290.00	390.00

Chalets

£ year ending	14/15	15/16	16/17 ¹	17/18	18/19
Cromer East	690.00	690.00	610.00	630.00	650.00
Cromer West	640.00	640.00	560.00	580.00	600.00
Sheringham (serviced)	830.00	830.00	682.00	702.00	750.00
Sheringham (unserviced)	690.00	690.00	554.00	574.00	650.00

Annual Lettings

The majority of the huts and chalets are let on an Annual Licence. In 2017 the following annual lets were in place.

	No available	No occupied
Cromer Chalets	52	52
Cromer Hut sites	122	115 (7 being held over)
Sheringham Chalets	25	25
Sheringham Hut sites	85	84
Mundesley Hut sites	53	53
Overstrand Hut sites	51	51

Once a site or chalet is relinquished then the facility is offered to the next person on the waiting list. The Council waiting lists have been historically very long with people often waiting 10+ years to be offered a hut or chalet.

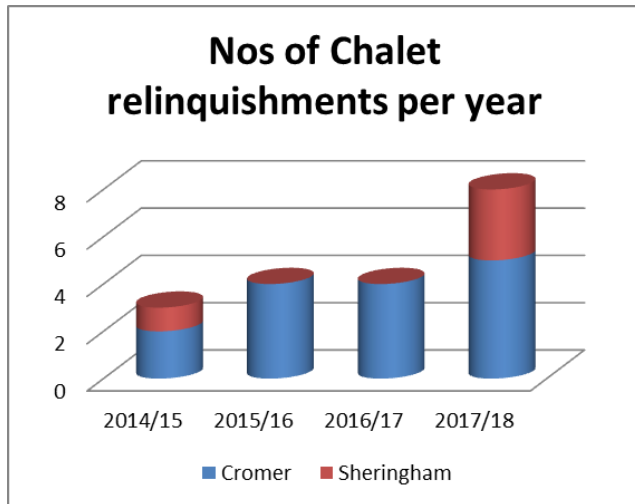
¹ In 2016 NNDR, which was previously paid by NNDC, was charged to the Licensor and the NNDC annual fee reduced accordingly

Turn over

Turnover of annual lets is slow, with many remaining as a licence holders their entire lives. Storm surges often see a small upsurge of relinquishments, particularly hut sites where owners have suffered the loss of their hut. This means that average turnover is below other resorts (eg. Felixstowe 8%, Hove 8%).

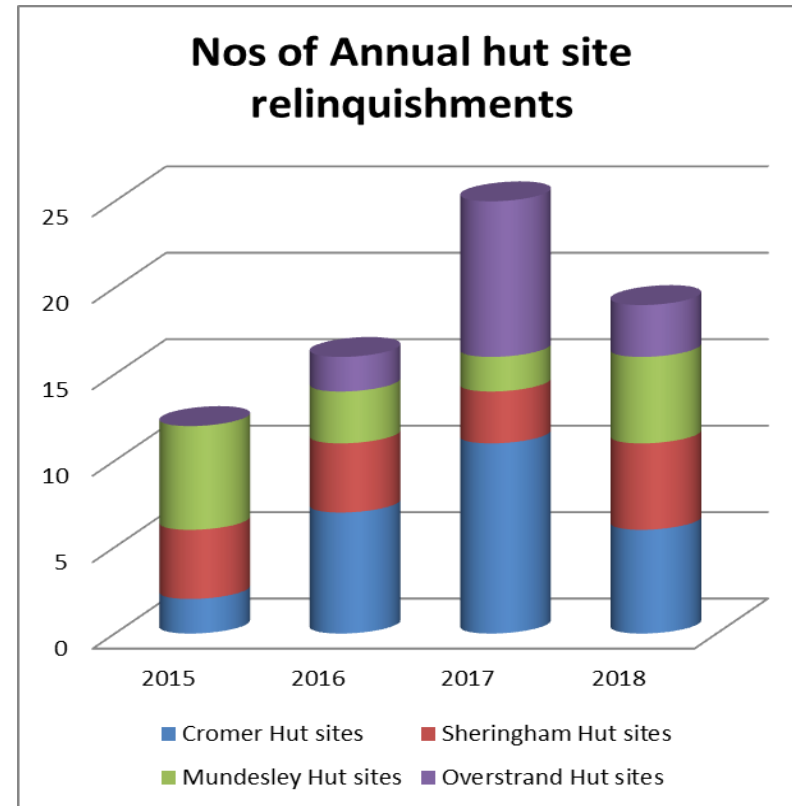
2015-2017	Ave. turnover %
Cromer hut sites	5%
Sheringham hut sites	4%
Mundesley Hut sites	7%
Overstrand Hut sites	7%
Cromer Chalets	6%
Sheringham Chalets	3%

Sheringham reserves its place as the key location for long term licence holding with very few giving up annual lets with only 4 chalet relinquishments over the past 4 years.



This has a direct impact on the waiting lists with many people waiting up to 10 years to be offered a licence.

A jump in relinquishments of huts in 2017 is likely to be due to a combination of storm damage sustained in Jan 2017, with significant hut loss in Cromer and Overstrand. Increase in hut site charges may have also been a contributory factor.



Waiting lists

The ever expanding waiting lists were reconfigured in 2016 when people were asked to pay £25 per resort area to remain on the waiting list. The purpose of this was to focus people's requests rather than accepting multiple requests. This aimed to reduce time wasted on chasing people who were not serious about wanting a licence. The initiative has brought in over £11k.

This introduction does not appear to have deterred potential licence holders and whilst there is an overall reduction in numbers – waiting time, based on current relinquishment levels, still remains very high.

The current waiting lists (Jan 2018) are;

	No units in total*	No on W list	Ave turn over/yr	Equals no of units
Cromer Chalets	52	116	6%	7
Cromer Hut sites	122	106	5%	5
Sheringham Chalets	24	74	3%	2
Sheringham Hut sites	82	128	4%	5
Mundesley Hut sites	53	53	7%	4
Overstrand Hut sites	51	48	7%	3

* excludes weekly lets

The above table gives an indication of turnover based on average relinquishments over the past 3 years. This table supports the need to increase facilities to meet demand and alleviate waiting times, which, at potentially up to 30 years for some chalets, is undesirable.

In recent years the stamina of hut and chalet owners has been tested; with increased storm damage, often resulting in total loss of huts and personal belongings, and new policies bringing about additional requests regarding insurance and charges. Despite this the popularity of huts and chalets remains high.

ii) Weekly Lets

Weekly lets (from Easter to September) run from Saturday (am) to Friday (pm) in line with most holiday lets. During the winter they run from Friday to Friday.

In 2017 the Council held the following weekly lets;

	Chalets with elec / water	Basic Chalets	Huts
Cromer	1	11	0
Sheringham	2	2	7
Mundesley	0	0	7
TOTAL	3	13	14

There are three charge periods;

- Winter (Nov- Mar),
- Off peak (Apr – Jun and Sep-Oct)
- Peak (Jul-Aug)

The lets are basic – huts and chalets are equipped with a patio table and chairs, coat hooks, drying line, a cupboard and brush/dustpan. Three weekly let chalets at Sheringham and one in Cromer have electricity and the Sheringham chalets have a cold water tap and sink.

Hut Hire (weekly charge including VAT)

£ year ending	2014	2015	2016	2017	2018
Peak	105.00	105.00	135.00	165.00	195.00
Off peak	47.50	47.50	50.00	60.00	70.00
% increase on previous year (Peak)	5%	0%	28%	22%	19%

Chalet Hire (weekly charge including VAT)

£ year ending	2014	2015	2016	2017	2018
Peak	120.00	120.00	150.00	180.00	210.00
Off Peak	62.50	62.50	65.00	75.00	85.00
Serviced Peak	142.00	142.00	180.00	220.00	260.00
Serviced Off Peak	78.00	78.00	85.00	90.00	95.00
Winter	21.00	21.00	25.00	21.00	21.00
% increase on previous year (Peak)	5%	0%	25%	20%	17%

Booking patterns

For the purposes of this report weekly let booking information for 2017 (calendar year) has been reviewed.

The graph opposite indicates the occupancy rates based on the number of lets. It should be noted that the number is not static as some weekly let huts are let for the period October to June (as a whole) when weekly lets are not in high demand.

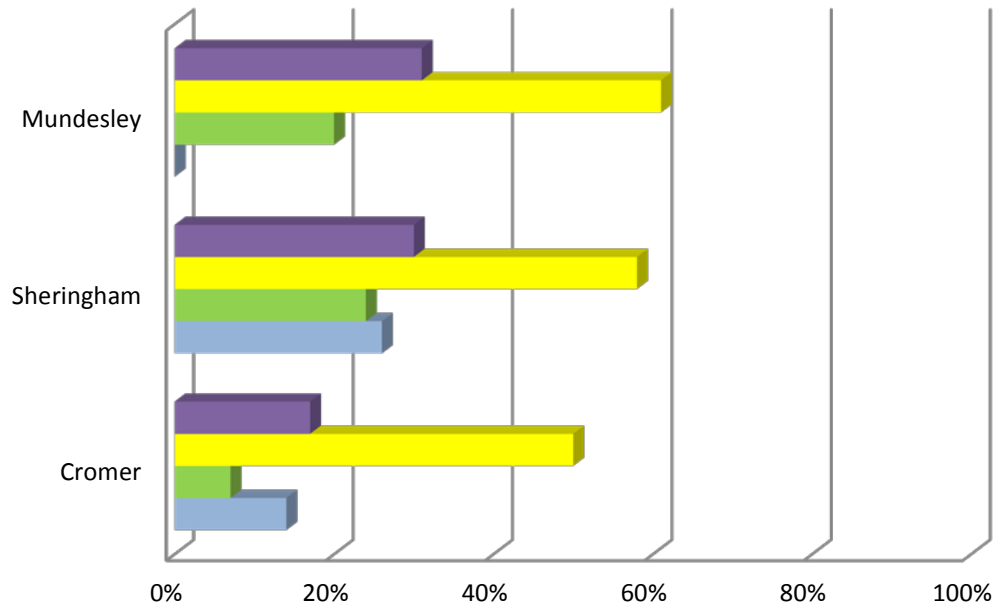
The graph clearly indicates that even in the peak season of July and August the lets only manage a 60% occupancy rate which is firmly centred around the 6 week school holiday period. Significant numbers in early July and late August are often unlet. Carnival week in Cromer is often booked well in advance.

Mid-season letting is very disappointing – especially given often favourable weather conditions from Easter onwards and during September.

Bookings are taken 12 to 18 months in advance with charges being confirmed at the start of the season when Council budgets have been set.

Currently bookings cannot be made on-line – people have to phone in. It is anticipated once on-line booking is in place then bookings will increase because of the ease in booking. This system is being developed as part of the Business Transformation programme.

Weekly let occupancy rates (Jan - Dec) 2017



	Cromer	Sheringham	Mundesley
Total occupancy	17%	30%	31%
Peak Season	50%	58%	61%
Mid Season	7%	24%	20%
Low Season	14%	26%	0

Low Season	Mid Season	Peak Season
Jan/Feb/Mar/Nov/Dec	Apr/May/Jun/Sep/Oct	Jul/Aug

4. Financial Appraisal

i) Income

Annual let licences follow a financial calendar. Licence renewals are sent out in February when Council budgets have been agreed. Licences commence in April which leaves very little time to manage the process of issue and receipt of signed licences and the issue of invoices or setting up of direct debits.

Where a hut site or chalets licence is not renewed, there can be further delay whilst they are offered to new users, huts are cleared from sites etc. Ultimately this can affect income if the delay in re-letting exceeds 8 weeks.

The process is administered by one part time person which highlights a potential vulnerability.

Once budgets have been set, then the weekly let bookings can be confirmed. Up to this point bookings are taken but no monies are transferred. Again this creates additional pressure during the first few months of the year. If an on-line booking system was created then prices would need to be agreed and set in advance to permit bookings and payments to be made simultaneously.

Up to this point there has been a piece-meal approach to charges. Popularity, adjacent facilities and floor space does not appear to have been a specific consideration in the past to create a cohesive and logical approach to charges. Currently the following applies.

Chalet Type	£ (inc VAT) 2018
Serviced chalets (ie with water and power), primarily based at Sheringham, attract the highest charge	750.00
Unserviced chalets at Sheringham	650.00
Cromer East Chalets (because of their popularity)	650.00
Cromer West Chalets	600.00

Hut site charges are consistent for all resorts excepting Mundesley which have traditionally been marginally cheaper because they are removed in October and held in storage until March/April. Hut owners in Mundesley pay an additional £220 per year for hut removal, winter storage and reinstatement.

In 2015 a 4 year timeframe for year on year increases in hut site charges was proposed as follows;

Proposal as follows;	£ inc VAT	% increase	cash increase	Additional income
2015/16 charge	£220			
Proposed charge 2016/17	£250	13.6%	£30	£7,500
Proposed charge 2017/18	£300	20.0%	£50	£12,500
Proposed charge 2018/19	£400	33.3%	£100	£25,000
Proposed charge 2019/20	£500	25.0%	£100	£25,000

Each annual increase has to be approved as part of the annual budget process.

Annual Lets

It is difficult to make accurate comparisons in income year on year because, for a variety of reasons, income is subject to change. The key reason for loss of income is through events such as surges/storms creating periods of inhabitation. Significant damage cause by storms can result in weeks or months when chalets are not used.

Previously significant storm surges have also required the termination of licences to allow works to be carried out on the promenade or adjacent beaches preventing access. This also results in a refund to the occupant. Although these refunds are discretionary and are subject to phasing (see Appendix 2 Charges and Refunds) this does skew comparative data.

Weekly lets

Again looking at 2017 calendar year income, the weekly lets brought in £ 29,495.83 (excl. VAT).

Comparisons with previous years are as follows;

	2014	2015	2016	2017
Cromer	8,254.58	9,338.08	11,083.34	10,832.50
Sheringham	7,340.83	8,737.50	11,400.00	12,150.83
Mundesley	4,879.16	3,825.00	4,545.83	6,512.50
TOTAL	20,474.57	21,900.58	27,029.17	29,495.83

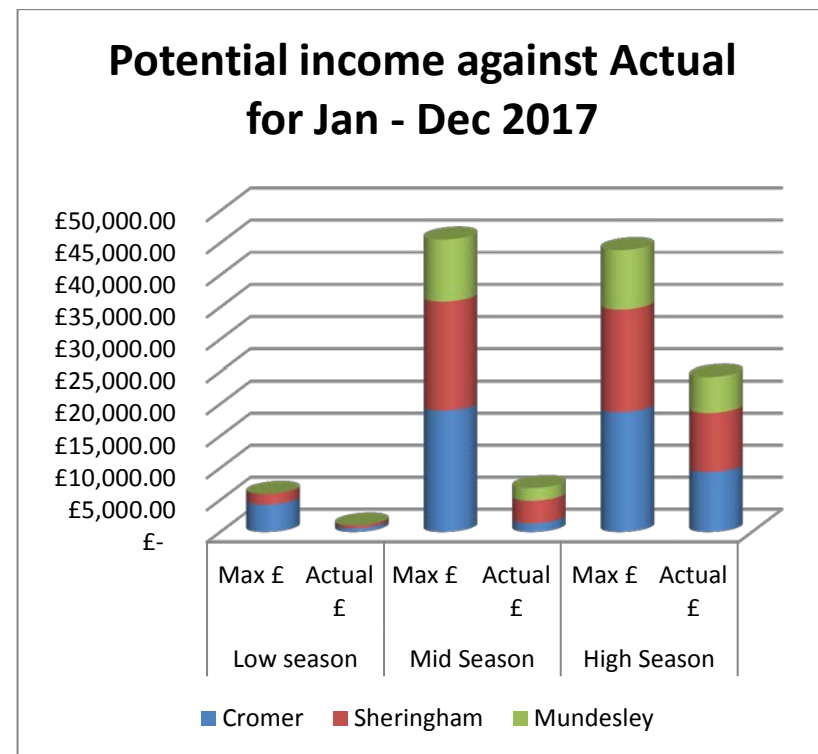
In, what might be considered, a perfect year for beach hut lets due to favourable weather, to date in 2018 the bookings (as at 1.8.18), amount to £27,246.

Taking into account price rises of between zero and 28% over 5 years bookings increased by approx. 9% in years 2015/2016 with 2017 seeing an 8% fall in anticipated income based on previous occupancy levels.

As a rough average this equates to annual income of £951.48 per unit in 2017.

Whilst this would compare favourably with the annual let charge of £400 per hut site and ave. £ 621.50 per chalet, administration of this service and costs for the provision/upkeep of the facility significantly reduces this.

The most important consideration of this service is the need to maximise lets. The graph below indicates potential maximum income against actual weekly let income and this will be considered in Section 2. Whilst maximum occupation would be unrealistic it is clear this could be improved significantly throughout the year.



ii) Expenditure

For the purposes of this review beach huts and chalet budgets have been combined to give clearer comparisons and overview.

The table opposite indicates **actual** expenditure and income.

For information the staff-related costs for the Foreshore Officers have also been added (at the end) because, although they are currently charged to a different budget code (promenade management) it would not be possible to offer weekly lets without this resource.

Capital costs

As previously indicated, the R&M costs are supported by significant capital expenditure as a result of the 2013 storm surge. Approximately £165k was spent on chalet repairs in Cromer and c£15k for Sheringham. With all the other incidentals / related costs amounting to around £200k


The damage caused by storms in Jan 2017 was covered in the main by revenue budgets.

Chalets & Beach Huts combined						
EXPENDITURE	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Salaries	£ 9,097.32	£ 6,431.76	£ 9,292.73	£ 9,390.24	£ 9,484.92	£ 10,086.85
OT	£ 1,729.44	£ 1,122.53	£ 1,016.51	£ 1,652.31	£ 1,612.11	£ 1,234.85
Other staff costs	£ -	£ 15.55	£ 394.98			
NI	£ 203.14	£ 175.30	£ 211.57	£ 206.80	£ 413.50	£ 463.90
Pensions	£ 1,316.69	£ 938.57	£ 1,497.41	£ 1,570.51	£ 1,610.75	£ 1,670.65
Pension Adjustments	-£ 173.91	£ 164.43	£ 73.59	£ 660.49	£ 93.25	£ -
Pension deficit funding	£ 610.00	£ 484.00	£ 887.00	£ 993.00	£ 1,141.00	£ 1,068.00
R&M Programmed	£ 9,953.68	£ 24,289.86	£ 1,492.33	£ 2,460.47	£ 5,318.88	£ 11,731.87
R&M Reactive	£ 4,647.20	£ 3,425.94	£ 2,747.12	£ 975.54	£ 20,990.22	£ 25,335.38
Vandalism	£ 840.00	£ 288.63	£ -	£ -	£ -	£ 74.80
R&M Other	£ 893.07	£ 1,142.32	£ 275.45	£ 7.50	£ -	£ 317.00
Business Rates	£ 14,942.18	£ 11,357.54	£ 10,323.13	£ 3,369.92	£ 2,976.78	£ 4,213.45
Electricity	-£ 288.53	£ 298.51	-£ 17.09	£ 516.90	£ 780.17	£ 884.27
Equipment	£ 2,986.92	£ -	£ -		£ 223.16	£ 151.86
Tools	£ 105.25	£ -	£ 40.64	£ 40.64	£ -	£ -
Written off debts	£ -	£ -	£ -	£ -	£ -	£ -
Support Services (MUC)	£ 42,341.00	£ 33,565.00	£ 48,704.00	£ 51,829.00	£ 56,460.00	£ 58,320.00
Sub Total	£ 89,203.45	£ 83,699.94	£ 76,939.37	£ 73,673.32	£ 101,104.74	£ 115,552.88
INCOME						
Fees/ waiting lists				-£ 2,310.00	-£ 9,548.54	
Rents	- 118,532.70	- 114,128.19	- 108,554.45	-£ 101,950.81	-£ 119,967.02	-£ 171,084.44
Insurance claims				-£ 25,870.13	-£ 38,994.16	
Income	-£ 118,532.70	-£114,128.19	-£ 108,554.45	-£ 130,130.94	-£ 168,509.72	-£ 171,084.44
Net position	-£ 29,329.25	-£ 30,428.25	-£ 31,615.08	-£ 56,457.62	-£ 67,404.98	-£ 55,531.56
FORESHORE OFFICERS *sta	£ 15,221.12	£ 11,344.70	£ 11,898.24	£ 15,059.49	£ 15,238.84	£ 25,488.70
Net position incl FSO	-£ 14,108.13	-£ 19,083.55	-£ 19,716.84	-£ 41,398.13	-£ 52,166.14	-£ 30,042.86

iii) Audit

A recent audit of the service reported a 'substantial assurance' regarding the service with 3 minor changes suggested. The following is an excerpt of their report;

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Policies and procedures	0	0	1	0
Beach huts and chalets	0	0	2	0
Recovery of clear up costs	0	0	0	1
Total	0	0	3	1

SCOPE

This area has not been subject to audit review before and therefore the system was assessed to determine if adequate controls are in place and that the system is efficient. In addition, as a result of the recent tidal surge, the process in place for the recovery of the tidy up costs was assessed.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Substantial' in managing the risks associated with the audit. The assurance opinion has been derived as a result of three 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised one 'operational effectiveness matter', which sets out a matter identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- A complete record of beach huts and chalets, including licensee contact details, is maintained.
- The Council maintains a waiting list to ensure that newly available lets are allocated fairly.
- Hire charges are formally agreed by the Council and publicly available on the Council's website.
- The Council holds copies of all licences and beach hut insurance policies.
- Licence terms and conditions are provided to licensees when they receive their licence, with further clarification on the Council's website.
- Chalet repairs and maintenance are carried out in a timely manner when reported.
- The Council has reviewed the arrangements for recharging costs after the storm surge to determine the most efficient use of resources in future.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following areas where three 'needs attention' recommendations have been made.

Policies and procedures

- Written procedure notes are created to guide staff on key tasks within the service, to reduce the risk of inconsistent or ineffective practices in the event of staff absence.

Beach huts and chalets

- All licences are to be signed by the Council as well as the licensee, as evidence that the terms and conditions have been agreed by all parties.
- A planned maintenance programme is to be created for chalets, including electrical safety checks as applicable, to reduce the risk of chalets falling into disrepair and the Council not ensuring a safe structure.

Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to the following:

- The Council to consider investigating potential sources of financial assistance in the event of future storm surges.
-

This report strongly suggested the procedures in place were robust and adequate for good service delivery.

5. Policies and administration

i) Administration

The beach hut and chalets are managed as part of the Leisure and Localities team and a part-time administration post is employed to manage the weekly lettings, annual licence and waiting list processes. Two part time seasonal Foreshore Officers manage the operational lettings (key collections etc) and servicing of the weekly lets from April until early September (approx. 20 weeks).

The Council website gives details of the arrangements for hiring each element but as yet is still to be converted to a fully functioning on-line booking system. At this time the key administration tasks are as follows;

Task	Current method	Monies collected	Optimum method
Weekly bookings	People phone or email to make booking. Details are entered and held on spreadsheets.	Payment requests issued electronically (where possible) alongside terms and conditions of hire. Payments can be made on line.	Ability for customers to book on-line, agree to T&C and submit payment simultaneously.
Annual licences (run April – Mar)	Issued electronically – signatures are required on each licence. New licence issued from the waiting list.	Invoice raised and issued through sundry debtors. Payments can be made on line, through DD (for chalets) or by cheque.	Ability to issue and receive licences and payments electronically.
Waiting lists	Application form available from website or on request.	People submit details and send cheques in payment or visit the offices to pay by card.	Ability to submit details direct to waiting list along with payment on line. Ability to see position on waiting lists.
Manage weekly bookings on site	Foreshore officers telephone customers to arrange collection.	Monies have been collected prior to letting.	Standardised collection and return systems could be considered with details being issued on booking.

ii) Foreshore Officers Role

The role of the two Foreshore Officers has changed considerably over the past 10 years from providing an advisory and 'eye' on the ground role during peak season to being integral to the letting of the chalets and huts.

The key areas of the roles that affect hut areas;

- Looking after the Council's properties and ensuring beach chalets are ready for letting.
- Undertake the facilitation of beach chalet/hut weekly lets including provision / collection of keys, advising / assisting occupants, cleaning chalets post letting and maintaining internal fixtures and fittings.
- Carry out emergency or minor repairs where appropriate and routine maintenance of chalets.

Currently the Foreshore Officers are assigned to a separate budget and therefore do not automatically show as a cost to the Chalet and Beach hut management however they are integral to this service during the peak season and this is being changed for future budget preparations they are charged direct.

iii) Current Policies

Because of the customer focused nature of these assets and the numbers of licence holders it is necessary to ensure any governing /management policies are clear and transparent. Details of policies are on the NNDC website and given to every new licence holder. Appendix b) gives details of current policies. They cover:

- 1) Waiting Lists
- 2) Reimbursements
- 3) Locks
- 4) Sub letting
- 5) Rights of succession
- 6) Hut sizes and encroachments
- 7) Insurance
- 8) Sale of private huts



1) Waiting Lists

Beach huts and chalets have increased significantly in popularity in recent years. Previously people could request to join the waiting lists on an ad-hoc basis. Turn-over of annual lets, particularly chalets, is slow so people remained on the waiting lists for many years before an offer was able to be made.

In 2016 it was decided in order to address the extensive waiting lists that a charge for joining/remaining on a list would be introduced to help ensure understanding and commitment of the potential licence holder and in doing so reduce administration time on the management of new lets. Those currently on the waiting lists were contacted and a fee of £25 requested to remain on each resort list.

The following table indicates the waiting list at the time of the change (Sept 16) and once responses had been received (Dec 17).

Resort	CROMER	SHER'HAM	OVERS'D	MUND'Y	TOTAL
HUT SITES	East 188 West 102	East 252 West 121	164	144	971
Pre review					
Post review	East 62 West 21	East 69 West 13	33	44	242 (↓75%)
CHALETS	East 117 West 107	168			392
Pre review					
Post review	East 62 West 21	63			146 (↓62%)

Introducing a charge saw an inevitable drop in those wishing to remain on the waiting list but has made the lists easier to maintain and has brought in approx. £11k additional income. New prospective licence holders continue to pay to join the lists with 32 new applications to June 2017.

2) Reimbursements

Reimbursements and refunds are given on a sliding scale (see appendix 2) and appear to offer an equitable and successful process for dealing with refunds and reimbursements.

The Council charges £30 administration fee when a licence is cancelled by the holder mid-term. This amount is deducted from any refund.

3) Locks

The chalets are master key suited to allow access for maintenance teams. The 'locks policy' was brought in to deter chalet licence holders from changing or altering the locks which prevented access by NNDC staff and contractors. Whilst the occurrence of this issue happening has fallen it is a useful policy which enables NNDC to clarify and enforce when necessary.

NNDC does not hold keys or provide locks for privately owned huts and is therefore unable to access them at any time.

Weekly let key-holders who lose keys are charged for replacements.

4) Sub Letting

The licences issued by the Council state the premises are for the use of the licence holder, family and friends **without charge**. The sub-letting policy was introduced to clarify licence details and to enable us to take action against those seeking to profit through subletting – either on an annual or weekly basis. In the main this took the form of the chalet or hut being advertised as part of a holiday let.

Unfortunately although we know sub-letting occurs it is often difficult to evidence sufficiently to take action through warnings or termination of

licence. However this policy does allow enforcement when it is blatantly disregarded. Consideration is given later in this paper to look at 'commercial' licence agreements which would allow businesses such as holiday lets or hotels to offer beach hut use.

5) Rights of Succession

Over the years families have enjoyed the right to pass the licence entitlement onto their children or other family members which has resulted in some families having occupancy of premises in excess of 50 years. The previous allowance of this practice was felt to be unsupportive of the council's own waiting lists.

At the time all licence holders were informed of the change of policy and holders were invited to add their children (if over 18 years of age) to join the lists as an independent user. In this way some children have obtained succession of premises (when they rose to the top of the list) through equitable, transparent and accountable means.

6) Hut sizes and encroachments

Following problems with hut sites 'engulfing' adjacent, presumed unoccupied, land this policy clarifies the entitlement.

7) Insurance

Despite being a condition of the licence for many years, it was evident, following the tidal surge in 2013, that many hut owners were not insured. The policy regarding insurance is now clarified and evidence of insurance is required at the time of renewal. It is essential that hut owners hold public

liability insurance as their property lies in an area of public realm/access and the Council does not indemnify hut owners.

8) Sale of private huts

The sale of huts is a private matter but obviously the Council manages the waiting lists so dictates the next likely occupant of a site. This policy clarifies the council's position regarding the sale of private property to incoming licence holders.

6. Trends & Comparisons

From the point of beach huts and chalet lets, the waiting lists are our biggest indicator of popularity and demand but figures are showing that the service may no longer be flexible enough to capitalise on current trends and visitor needs. This would relate specifically to changing habits of visitors ie more weekend or day trip visitors, and changes to visitor expectations and demands particularly relating to the quality of offer, supply of utilities, home comforts or adjacent attractions.

Currently, whether as a result of the weaker pound, Brexit or other international events, there is a significant increase in domestic tourism...

Figures from VisitBritain show that between January and September 2017, Brits took 7.5m overnight trips to the East of England, spending £1.4bn. Visitor numbers are expected to increase this year, as more people opt for staycations amid continued uncertainty around Brexit and the value of the pound.

VisitBritain director Patricia Yates said: "Tourism is one of our most valuable export industries and we are forecasting that growth will continue in 2018."

She said Norfolk had a "huge amount" to offer as a holiday destination for both international and domestic visitors.

....The North Norfolk coast remained the most popular choice for holidaymakers, with bookings for Sheringham up by over 70pc compared to previous years and Cromer, which was still the most popular, by 76pc.

<http://www.edp24.co.uk/business/norfolk-tourism-businesses-prepare-for-bumper-holiday-season-1-5363593>

North Norfolk could also be making the most of what people want ...

According to our Travel Insight Survey of 25,000 UK travellers, British holidaymakers are getting much more active on holiday, with beach breaks

being overtaken in popularity by wildlife and walking holidays. Short city breaks are preferred too.

The trend at the moment is for experience-based holidays, especially on staycations — people want to stay in unique, Instagram-friendly places such as underground bunkers, "hobbit houses" or a treehouse. Staycation demand is up by 70 per cent compared with 2016.

*But in 2018 people are also looking for the authentic and secluded, so we're also going to see more remote and wilderness. They want places that others are unlikely to have seen yet, and which offer the ultimate in escapism from everyday life. **Evening Standard Jan 18***

It would be true to say that, to date, little acknowledgement of regional trends and forecasts or learning from competitors has taken place on a regular basis. The Business Survey below revealed weather is a constant concern for the tourism economy but with 2018 looking like having record breaking weather we should ask whether we, as an organisation, capitalised on this, filling our beach hut lets?

With the weather being a constant worry for many businesses, it was truly a great year, with East Anglia enjoying more hours of sunshine than any other region in the UK and we recorded the eighth highest average temperature since records began. June was wet, but the visitors still came and September excelled. That helped extend the season, with the temperature

2.7C above the average for the month. So will we see an end to the weather being a fear factor? With 33% still seeing it as a key worry for the success of their business it's doubtful. But we are one of the driest regions in the UK and maybe the message will finally become loud and clear that we should be the destination of choice

<https://mediafiles.thedms.co.uk/Publication/ee-nor/cms/pdf/Larking%20Gowen%20Tourism%20Business%20Survey%202017%20lores.pdf>

PART 2: THE REVIEW

7. Background

At a meeting of the Overview & Scrutiny Committee on 21 March 2018 the following was agreed.

127. ESTABLISHMENT OF TASK & FINISH GROUP FOR BEACH HUTS AND CHALETS

Beach huts and chalets had been a subject of discussion when the Committee considered Fees and Charges 2018/19 at the December meeting. The Head of Finance and Asset Management intended to undertake a more fundamental review of strategy. It was proposed to form an Overview and Scrutiny Task and Finish Group to work with him and this was reported to the January meeting. The Chairman had invited any Members who were interested in being part of the Group to contact her. As well as Members of the Committee, expertise could be drawn from other Members.

Councillors J English, M Knowles and B Smith would form the nucleus of the Group. There had also been expressions of interest from Cllrs B Hannah, N Pearce, H Cox and A Fitch-Tillett.

The Head of Finance and Asset Management explained that he wanted to work on a longer term strategy for beach huts and chalets. NNDC's charges were significantly lower than those of other authorities. A more joined-up approach was necessary with a business plan for the next 5 years.

An email had been received from Cllr D Smith, on behalf of a Sheringham resident, This would be considered by the Task and Finish Group.

The Democratic Services Manager would finalise the Terms of Reference. It was hoped that they would come to the April meeting of Overview and Scrutiny. The Terms of Reference should include frequency of meeting, method of reporting to the Committee and timespan for the work. The Group would ideally meet before the next meeting of Overview and Scrutiny and would be fully supported by Democratic Services. Thereafter it would be timed so that outcomes and recommendations could come to the Committee on a monthly basis.

RESOLVED that:

1. The Task & Finish Group should comprise Mrs J English, Mr M Knowles and Mr B Smith, with input from Mr B Hannah, Mr N Pearce, Mrs A Fitch-Tillett and Mrs H Cox.
2. The Group aimed to meet ideally before the Overview & Scrutiny Committee on 25 April.
3. Terms of Reference should be drafted prior to 25 April, including frequency and method of reporting to Overview and Scrutiny, and timespan of the Group.

8. The Review process

In order to facilitate changes that may be able to come in to effect for April 2019, it was felt that the process should be best managed through six, monthly meetings with a view to a 5 year Strategy being presented to Overview and Scrutiny in October with the recommendations feeding through to Cabinet in December. Members wishing to give ideas, highlight concerns or provide local perspectives have been given the opportunity to feed into the process.

The project plan milestones were as follows

- April – Agree Terms of Reference (Appendix d) , plan project outline, agree dates
- May - Review current situation, identify key areas to review. Obtain other Members views and suggestions
- June – Undertake site visits, identify issues and opportunities and brainstorm solutions
- July – Agree charging policy and preferred solutions, outline timeframes. ‘Reality check’ options with Service Area
- August – Review/amend draft report
- September – T&F group approve final Strategy and O&S report
- October – Submit review and strategy to O&S

9. Findings

i) Site review

Whilst the District enjoys a bountiful 43 miles of coastline, varying from cliffs to shingle banks and tidal creeks, very little of it is suitable for development or siting of even temporary buildings. In addition whilst the Council owns much of the coastal fringe by way of promenades and sea defences there are still significant areas in private or alternative ownership including the Environment Agency and National Trust. Coastal erosion resulting in cliff slip and changing beach levels are a significant factor limiting possibilities for any development along with service provision. Prevailing weather also plays a large part in the sustainability of coastal resorts and developments adjacent to the seashore. Whilst tidal surges have always been an integral part of this coastline violent winter storms appear to be increasing in ferocity and frequency.

It should also be acknowledged that many of the visitors to North Norfolk enjoy the tranquil and unspoilt coastline which serves as home to a myriad of seabirds, seal colonies and unique habitats enjoying significant Area of Outstanding Natural Beauty (AONB) designations and 6 Blue Flag beach awards.

On reviewing the coast, looking primarily at resorts or areas offering additional facilities, the following table summarises the findings.

Review of resorts for hut sites

Resort	Current provision	Issues	Conclusion
Sea Palling	None	No beach side land under NNDC ownership. Car Park under lease from Sea Palling and Waxham Trust	Huts on car parks could be considered although primarily for storage. This would be subject to Trust agreement and careful consideration should be given to increased security. The car park only reaches full capacity a few days of the year.
Cart Gap	None	Approx. 8 potential sites on dunes but this is not under NNDC ownership.	Potential for car park sites as above or may be worth discussing with EA.
Eccles	None	No NNDC land	No identified opportunities at this stage
Happisburgh	None	No NNDC land	No identified opportunities at this stage
Walcott	None	Limited land availability. No obvious sites. Walcott does suffer from tidal flooding.	No identified opportunities at this stage
Bacton /Keswick	None	No NNDC land	No identified opportunities at this stage
Mundesley	60 hut sites	Potential for couple more sites but area subject to recent cliff slip. Land to the east of the café is subject to various ownership.	No identified opportunities at this stage
Trimingham	None	No suitable NNDC land. Coast suffers particularly from cliff slip.	No identified opportunities at this stage
Sidestrand	None	No NNDC land and few facilities.	No identified opportunities at this stage
Overstrand	51 hut sites	Increased from 37 to 51 in 2017. Capacity for more sites but poor facilities.	Consideration needs to be given to improving facilities on the promenade.
Cromer	65 chalets 122 hut sites	Recently increased numbers of hut sites (from 89 to 122)	Given the recent review and expansion of sites , without tiered or other works involving cliff piling Cromer is at full capacity.
East Runton	None	No beach-side land but potential for some sites on grassed area of car park.	Pursue the siting of 6 – 8 beach huts overlooking the sea on the northern aspect of the car park.
West Runton	None		No identified opportunities at this stage
Sheringham	29 chalets 89 hut sites		Some additional sites available
Weybourne	None	No beach-side land but potential for some sites on grassed area of car park.	Potential use as leisure huts to be considered if improvements are made to the car park and surrounds to increase viability
Blakeney to Wells	None	Little suitable NNDC land west of Weybourne. Wells beach huts are under the management of Holkham Estates.	No identified opportunities at this stage

Summary of current hut site adjacent facilities

Resort	Current provision	Facilities	Conclusion
Mundesley	60 hut sites	Concrete hut sites (on promenade) Cafe, lifeguard, toilets, fresh water. Cliff top Car Parking, No vehicular access to promenade Access to village facilities. Huts HAVE to be removed for winter.	Good prom and access to village facilities
Overstrand	51 hut sites	Huts sites vulnerable to flooding and cliff slip Chemical toilets provided on prom during summer break only Cliff top parking , toilet facility and play area Restricted vehicular access to promenade. Access to village facilities.	Poor facilities on prom but well serviced by village. Need to think about supplying water supply and longer prom toilet provision.
Cromer	65 chalets 122 hut sites	West: Huts sites on promenade Cliff top parking, cafes, lifeguard, toilets, showers, fresh water, play equipment, vehicular access to prom. East: Hut sites on bare ground, occasional cliff slip. Café, fresh water. No vehicular access. Easy access to town facilities.	West prom now better served than east. Lack of vehicular access and facilities on East Prom although still popular.
East Runton	None	Huts sites on grassed car park Car Parking, toilets. Easy access to village facilities	Good facilities and access. Minimal impact on car park income.
Sheringham	29 chalets 89 hut sites	All hut sites on concrete promenade East & West: Cliff top parking, toilets, showers, fresh water . Restricted vehicular access to prom. Easy access to town facilities	Good facilities and access
Weybourne	None	Potential for Huts sites on grassed car park – part site subject to tidal flooding. Car parking – village facilities approx. 0.5km	Remote site but may be popular with fishermen, birdwatchers etc.
Cart Gap	None	Potential for Huts sites on grassed car park. Toilets, car park, cafe short distance, RNLI station and Coast watch.	Adequate facilities and access. Minimal impact on car park income.

ii) Key issues

Over the course of the first few months of the review, the group identified the following key issues ;

- **Take up of weekly lets** – poor off peak take up, quality and price of offer
- **Provision of annual lets** – long waiting lists, slow turn over, administration heavy
- **Costs regarding long term maintenance of chalets and age of stock**
- **Inconsistency of pricing** and price increases – review structures and charges
- **The weather and coastal vulnerability** – ways to mitigate loss
- **Use of resources** – making best use of resources

iii) Opportunities

During a workshop the issues were explored and a range of options and/or solutions to the keys issues were proposed and discussed. The options considered were diverse and were each assessed against criteria using a decision matrix to determine best options that will underpin the 5 year strategy proposed. The following briefly explains each aspect and if the option is being proposed to be implement at this time. The decision matrix assessed each option against the following criteria;

Does the proposal...

- Directly increase income or offer savings?
- Create a process efficiency?
- Increase the quality or variety of the offer?
- Mitigate or reduce risk of natural impact, vandalism etc
- Seem likely to be acceptable with users/residents/others?

The decision matrix is shown below



PROPOSAL	Does it directly increase income or offer savings?	Does it create a process efficiency?	Does it increase the quality or variety of the offer?	Does it mitigate reduce risk of natural impact (ie storms, erosion)	Will this be popular or acceptable with a) users b) Residents / Businesses c) Others	WHAT MIGHT NEED TO CHANGE TO MAKE THIS HAPPEN?
WEEKLY LETS Bringing in on- line bookings	Yes – significantly increased bookings expected and monies taken at time of booking	Yes	No but significantly improves access to booking system	No	a) Yes b) Yes c) Yes	Develop system, marketing, longer term pricing strategy to allow advanced bookings (ie up to 18 months in advance)
WEEKLY LETS Prepare a proper Marketing Strategy including renewing posters, twitter feeds, media releases, TICs	Indirectly should lead to more lettings	No	No	No	a) Yes b) Yes c) Yes	Work with Comms team. Give Del Authority to undertake 'offers' to capitalise on good weather or local events
WEEKLY LETS increase out of peak season use by ensuring easy key collection throughout the year	No	Yes	Indirectly	No	a) Yes b) Yes c) Yes	Service to look into how best to achieve this
WEEKLY LETS increase out of peak season use by finding ways to not board up (shutters/rollers)	Indirectly should lead to more lettings	No	Yes	Should do	a) Yes b) Yes c) Yes	Some capital funding required to install (initially) to a few chalets to test popularity
WEEKLY LETS ensure standards of cleanliness and décor are maintained	Indirectly could lead to more lettings	No	Yes	No	a) Yes b) Yes c) Yes	Resources released by other time saving measures should monitor lettings. Standards need setting and adhering to
WEEKLY LETS consider outsourcing some of the weekly lets on trial basis to hotel or similar to maintain /manage	Potentially – needs further analysis	Yes	Yes	No –may potentially increase it	a) Possibly b) Yes c) Potentially	Could Be worth considering but BUSINESS CASE REQUIRED
ANNUAL LETS Sell off chalets and but retain ground rent	Yes – significant Capital income and reduced revenue costs ongoing	Probably In the longer term	Remains the same but may see increase/decrease in property condition	No – may cause increased risk	Likely to be very controversial and needs further thought regarding long term impact vs benefit.	Could Be worth considering but BUSINESS CASE REQUIRED
ANNUAL LETS Put in place 5 year licence options. Licences can be renewed after 5 years but price reset each time.	Potentially	Yes	No	No	a) Yes b) Yes c) Yes	Propose setting prices for 3 years with a rent review after 3 years. Licences to have an annual break clause.

ANNUAL LETS Chalet lets to increase. Put in place a rigorous process for reviewing/setting charges every year. Potentially consider different charges to reflect amenities and demand	Yes	Yes			a) Probably not b) Yes c) May be controversial	Create a matrix to support charge reviews and price setting. To consider demand and facilities and asset size.
ANNUAL LETS Consideration was given to significant interior upgrades but not agreed at this stage. Regular ongoing maintenance programmes should however take place.						
ANNUAL LETS Consideration was requested and given to the use of auction sites (eg:ebay) for maximising profit on a selection of hut sites. Given this would incur an anticipated capital outlay of £2k per hut, this was not agreed at this stage given the current waiting lists, reputation risk, acceptability and uncertainty regarding net profit .						
NATURAL FORCES Consider Shutters where appropriate	No	No	No but may reduce down-time following storms	Yes	a) Yes b) Yes c) Yes	Service to identify appropriate cost effective shuttering for 4 chalets in Cromer and monitor take up Nov – Mar. If viable increase fitting to other areas.
NATURAL FORCES Ensure the protection of chalets forms part of contingency planning ie herras fencing installed to help prevent stone/debris damage	Yes	No	No but may reduce down-time and lost income following storms	Yes	a) Yes b) Yes c) Yes	Service to ensure its included in Asset Contingency planning
NATURAL FORCES Introduce an emailed newsletter at the end of each season to encourage the removal of huts, clear chalets etc	No but emphasises good customer service	No	No	Yes – may help to reduce those impacted by storms clear ups	a) Yes b) Yes c) Yes	Include this in the communication strategy
USE OF RESOURCES The role of the Foreshore Officers may need to be reviewed in light of proposed changes	Potentially	Yes	No	No		Service discussions need to be undertaken to clarify roles if proposed changes are implemented
USE OF RESOURCES It is anticipated that changes to lease periods, on line booking etc would release resources to enable time to be spent on marketing, customer service, planning etc	Potentially	Yes	Marketing is key to the offer	No		Service discussions need to be undertaken to clarify roles if proposed changes are implemented
OTHER SITES Additional beach huts sites were considered at 7 locations (see below) but agreed to progress (at this stage)	Yes	No	Yes	Considering sites away from promenades would be less	a) Yes b) Yes c) Yes	Service to progress options

Sheringham, Cromer West, East Runton. Further consideration should be given to Weybourne and Cart Gap if site improvement projects are completed				affected by storm damage – otherwise no change		
REDUCED RATES In order to maximise offer to local people it was hoped the on-line booking system, supported by media releases, could accommodate ad hoc offers for last minute booking or off peak bookings	Yes through increased bookings	No	Its likely to be popular and could target warm weather during off peak or under used periods of hire	No	a) Yes b) Yes c) Yes	Ensure mechanisms are in place with both software and delegated authority to be able to do this as and when required.
REDUCED RATES Given the ratio of licence holders was roughly 80% Norfolk 20% Other it was not considered necessary at this stage to offer reduced rates for annual lets at this stage						

10. Marketing & Communications

Marketing, particularly of the weekly lets, was considered to be an area desperately in need of development and the service should create a calendar of promotional activity in order to best underpin the launch of the on-line booking system. Communication currently focuses on a personal interaction with the service staff but this could be improved on a more general level with communications to engender joint working and positive messages, rather than blanket communications focussing on billing or fault reporting. Below is an example of the types of marketing and communications means that were considered by the group and could be explored at minimal cost. The service would need to discuss with the Communications Team how to optimise and expand these ideas to coincide with the lettings calendar.

Weekly Lets: Make the web pages more user friendly with updates and news items	Put feedback forms in the chalets and remind people about booking for next year	Use 'Hire this Hut' posters in the chalet windows – make sure they are replaced when faded!	Use social media to send out details of offers and events.
Put flyers or posters in TICs	Consider permanent signage in key locations in the resorts	Look for ways to get more electronic coverage – links from other tourism based websites, accommodation guides etc	
Annual lets: Create an annual newsletter for Annual Lets to remind and advise them about winter storage, storms etc	Think about getting the waiting lists on-line so people can sign up and pay and check their position.	Where possible encourage Beach Hut & Chalet associations to act as a collective voice.	Focus on events ie. annual best dressed beach huts or themed windows.

11. Charges

Previously, charges for annual and weekly lets have been ‘standard’ resort charges with some minor historical differences. Increases appear ad-hoc; in line with inflation or by a fixed amount. Prior to the recent substantial increases in beach hut site prices, charges for chalets have remained fairly static for many years. To date, charges had not been based on property footprint or fabrication or reflective of the desirability or offer at each resort. Whilst not wishing to make a complex system an opportunity to bring annual lettings in line with commercial letting arrangements and practices was felt appropriate.

Annual Lets - In order to ‘test’ viability of a new system a matrix was created which assigned a ‘charge’ for square meterage which included a ‘resort’ assessment, plus a desirability element (based on waiting list numbers). It has been acknowledged that facilities may be subjective but generally speaking it was felt that availability of basic facilities such as toilets and drinking water was a draw for the majority and where these are not provided or sufficiently close then the charge should reflect this.

Weekly Lets - Current charges for weekly lets was discussed and it was felt that the price for these was sufficient and comparative and that income should be gained through increased lettings rather than by continuing to increase weekly hire rates. Weekly let charges could be reviewed alongside 3 year annual let reviews once the on-line booking form and marketing changes has been established. In order to facilitate on –line bookings it would be necessary to offer the ability to book up to 18 months in advance. In order to do this delegated authority should be given to permit the hire of a weekly let at the current rate until any budgetary changes are approved. It was felt the income derived from early payment would off-set any potential subsequent weekly let increases.

Comparative prices

It is very difficult to compare prices between resorts when the offer and management arrangements of each resort vary so much. In most cases offers vary with lettings often being managed by District, Town or Parish Councils or private letting companies. In turn there is a mixture of offer from short term letting, long term leasing to sale of beach huts and chalets. Clearly no two districts offer the same in terms of quality or quantity. Many chalets and hut sites are on a long term lease options which can be sold on, some are sold outright, others are able to supplement income through sub-letting whilst some resorts only appear to offer weekly /seasonal lets on an ad-hoc basis. In addition many places have supplemental fees (ie Suffolk Coastal charge £600 administration charge to set up a hut licence), or some places offer resident discounts, some offer electricity and water or overnight sleeping. Huts and Chalets on the south coast generally command a higher price as do hot spots like Southwold (where a lease hold hut recently sold for £45k) and Holkham (Wells).

Permanent Chalets 2018/19	Hunstanton	Suffolk Coastal		
	640.00	£724.92 to £1981.64		
Hut sites 2018/19	Heacham	Suffolk Coastal	Tendring DC	Felixstowe
	£504.00	£500 for 2.13m x 2.43m site plus £144/m surcharge for over-sized sites	Varies from £285 to £870	500.00

On this basis the following charge matrix was devised that included a consideration of desirability (based on waiting list numbers), resort facilities including closeness of associated facilities such as; parking, drinking water and toilet facilities. Separate charge would be set for the provision of utilities. This assessment formed the basis of a charge that would be levied according to square meterage of the chalet or hut site size.

The proposed charge would be £140/m² for Prime Resort chalets and £135/m² for standard Resort Chalets and £60 and £50 respectively for Hut sites. The matrix also accommodates a basic resort standard or non-resort standard should opportunities in the future present themselves for non-beach based hut hire. This method of charging is in line with other commercial assets and is commonly used.

This charge does not include the desirability charge which is levied in addition to the above charge and directly reflects the waiting list numbers. This in effect means that should waiting lists fall significantly then the charge would also fall to reflect demand.

12. Financial outcomes

Weekly Lets

We anticipate that once the on-line booking of weekly lets are available and the associated marketing/communications strategy are taking place we would expect to obtain, over 2 years, a 200% increase in the numbers of bookings across the year based on 2017 lettings.

During year one we would anticipate the number of bookings to increase overall by 133% split approx. as follows;

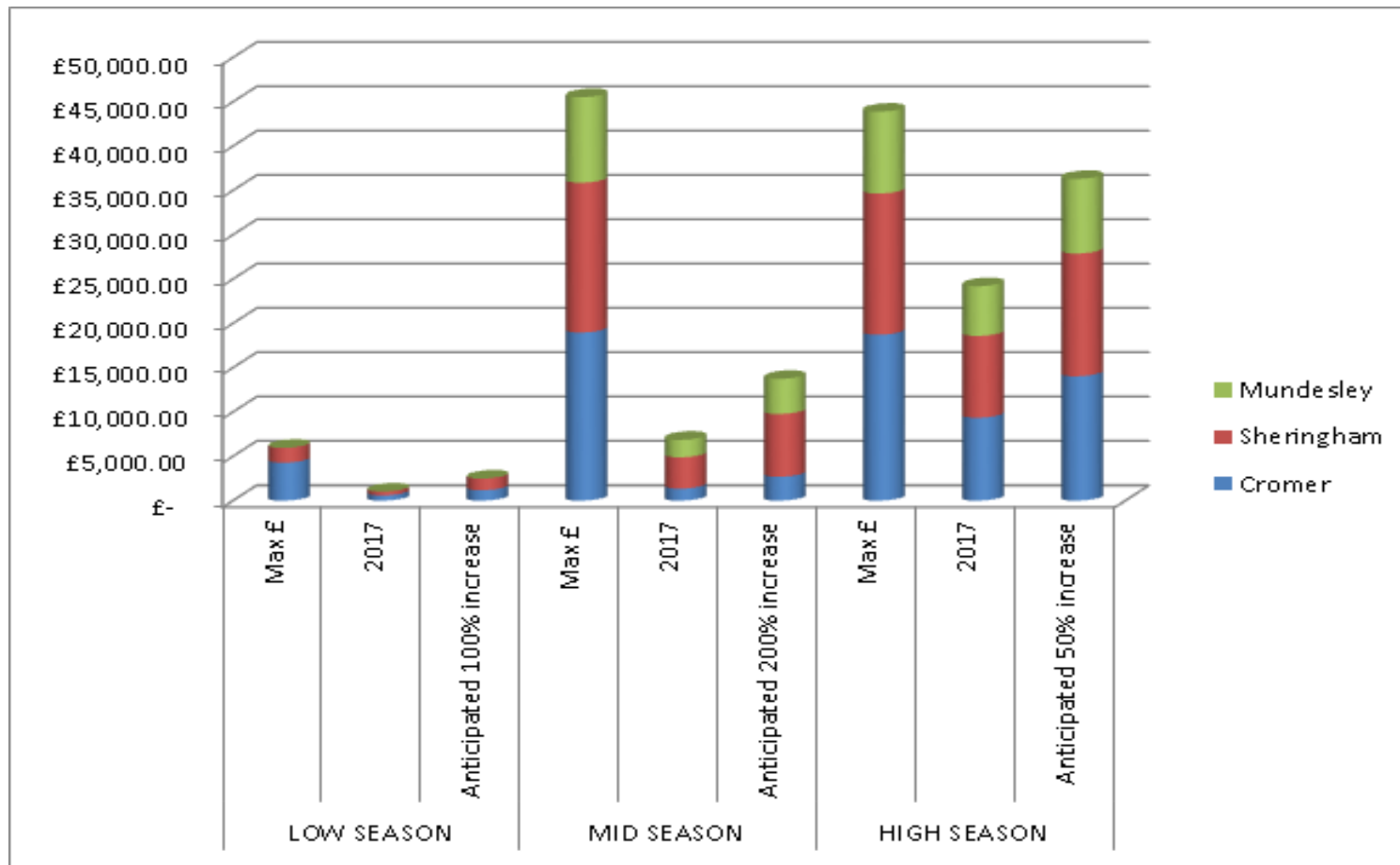
- We anticipate the number of low (winter) bookings will double (from 20% to 40%)
- We anticipate mid-season bookings are most likely to see the greatest rises with targeted marketing and offers, so we expect bookings to go up in excess of 200% (from 17% capacity to 51% capacity)
- Given Peak season bookings are already at 56% capacity we suggest a 30% increase might be achievable. Taking it to 73% full during peak periods.

Average potential increased income from letting per unit								
	Current occupancy	Occupancy Goal	No weeks	Ave charge / week	No units	current	Goal	
CHALETS								
Peak	56.00%	96%	8	210	16	£ 15,052.80	£ 25,804.80	
Mid	17%	51%	23	85	16	£ 5,317.60	£ 15,952.80	
Low	20%	40%	21	21	16	£ 1,411.20	£ 2,822.40	
						£ 21,781.60	£ 44,580.00	
HUTS								
Peak	56.30%	96%	8	185	14	£ 11,665.36	£ 19,891.20	
Mid	18%	51%	23	70	14	£ 4,057.20	£ 11,495.40	
Low	huts removed							
						£ 15,722.56	£ 31,386.60	
	Total potential additional income						£ 38,462.44	

If a 133% increase of bookings can be achieved there would be a potential increase in income as follows during year one based on current pricing.

It should be noted that should demand rise significantly then a proportion of the gained income should be available to support the revenue budget as it is likely that additional costs will be incurred. For example to facilitate additional cleaning charges, repairs and maintenance and replacement costs of contents.

Graph showing potential occupancy rates and income (after 2 years) in comparison to total unit availability



Annual Lets

Over the past 4 years the annual beach hut site licence charge has been increased significantly from £220 to a proposed £500 in 2019/20.

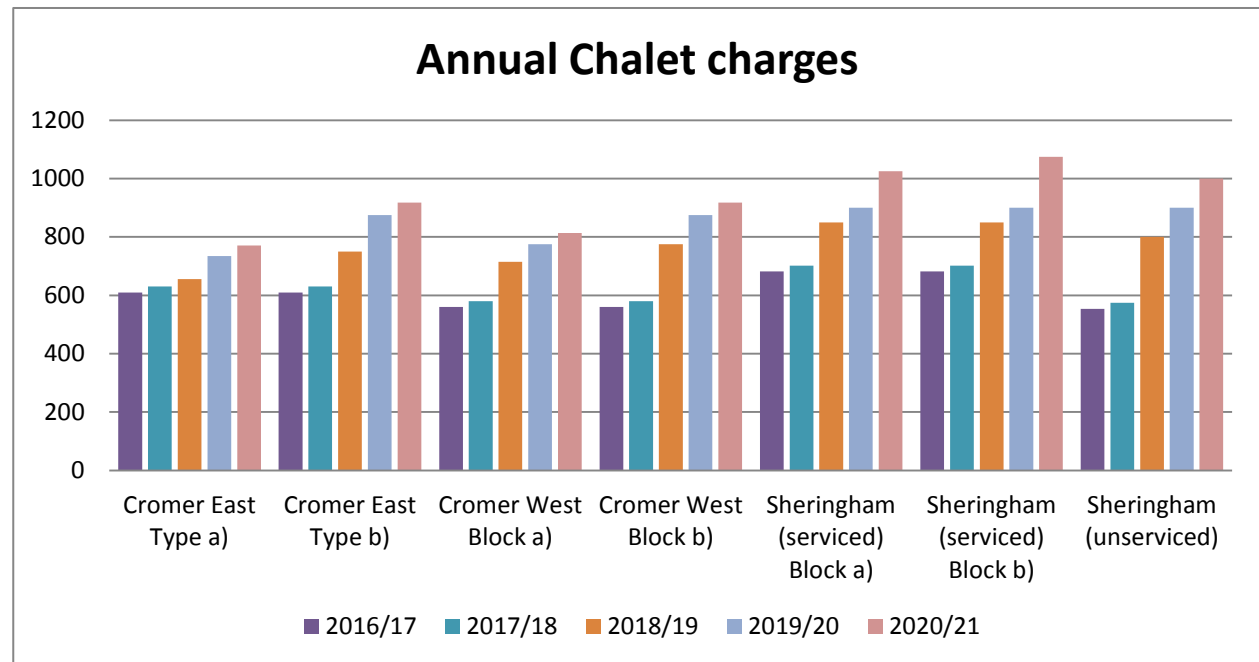
Beach chalet charges were not reviewed at that time with only small increases being introduced year on year. It is considered that currently the charge does not fully reflect the popularity of these assets, the size of each chalet or the adjacent facilities.

The basic fee introduced as part of the charging matrix was considered a reasonable charge of between £110/m² to £135/m² depending on resort facilities. In addition a charge based on ‘desirability’ should be levied (which varies depending on numbers on the waiting list). Reasonable adjustments will allow professional consideration and movement of charges for chalets in less popular positions if appropriate.

The chart opposite indicates the relative proposed price increases for chalets in 2019/20 to 2020/21.

After 3 years it is anticipated that this increase will bring in an additional £52k in revenue.

To support this, in the next 12 – 18 months, the Council is undertaking a series of chalet condition surveys. These surveys will be carried out in with a view to providing a comprehensive report that will target repairs and create an improvement programme of works.



13. Review Summary and Recommendations

The diagram opposite illustrates the six key elements identified which were explored and discussed as part of this review. The preferred options for both Weekly Lets and Annual Lets were collated and split into three time frames covering the 5 years of this strategy;

Stage 1: within 12 months - small changes that can be implemented including monitoring, followed by an annual progress review;

Stage 2: 1 -2 year further objectives dependant on the outcomes of the annual review;

Stage 3: 3 – 5 year longer term proposals that require further investigation and business cases depending on outcomes from 1 and 2 above.



Weekly lets

Stage 1: within 12 months

PROCESS EFFICIENCIES	MARKETING	QUALITY AND MONITORING	MITIGATE RISK	REVIEW CHARGES	OPPORTUNITIES
Move to on line booking and charge collection asap	Create a marketing strategy	Set standards and keep quality consistent	Install removable shutters to a selection of chalets to better facilitate off peak lets	Keep charges same for 2019 until changes take place and outcomes reviewed	Offer weekend bookings
Agree process for charging to facilitate bookings 18 months in advance	Make better use of on-site advertising, TICs etc	Obtain feedback from users and make improvements where possible	Monitor bookings to be able to react in a timely way to optimise bookings during events and good weather	Monitor competition and if possible service to visit local facilities to evaluate and make comparisons relative	Use automation of system to allow better use of staff resources to obtain and react to feedback effectively and plan improvements accordingly
Make better use of resources by concentrating on marketing, monitoring	Provide better customer service through targeted correspondence	Ensure continued ongoing maintenance / improvement programme	Agree plan of action to ensure continuity of offer should bookings increase significantly (ie		Obtain certainties over pricing and obtain income at time of booking – up to 18

and quality control			ensure cover for cleaning, off peak contacts, problem resolution etc)		months in advance.
Ensure adequate training is provided for staff and ensure the system is developed to allow some flexibility (ie weekend booking)	Allow 'offers' to encourage off season use and take advantage of good weather and local events	Monitor quality regularly through spot checks and feedback forms			Consider weekly lets at other locations (ie East Runton)
Review key change overs (particularly during off peak) to offer better customer experience	Ensure web pages are up to date and encourage on-line booking and make better use of social media	Monitor prices of similar offer to ensure competitiveness			

Stage 2: Undertake a review of service following Stage 1

MARKETING	QUALITY AND MONITORING	REVIEW CHARGES	OPPORTUNITIES
Review and revise communication plan and marketing strategy	Review feedback and determine desire for improved offer. If yes complete business case and submit capital bid	Compare competitors prices and offer. Review feedback on charges and take up of offers before considering price changes	Consider weekly lets at other locations (ie Weybourne and Cart Gap)

Stage 3: Weekly lets – If necessary review further options/opportunities

MARKETING	QUALITY AND MONITORING	OPPORTUNITIES
Review marketing – ask people how they found out about NNDC. What is working that is cost effective? Try new means if necessary	Review feedback and determine desire for improved offer. If yes complete business case and submit capital bid	If income from weekly lets does not exceed the annual rent achieved at this time then consider <ul style="list-style-type: none"> a) Reducing or eliminating the weekly let offer b) Outsourcing blocks of chalets or huts to suitable hospitality organisations to manage under tenancy agreement

Annual lets

Stage 1: within 12 months

PROCESS EFFICIENCIES	MARKETING & COMMUNICATIONS	QUALITY AND MONITORING	MITIGATE RISK	REVIEW CHARGES	OPPORTUNITIES
Move from 1 to 5 year licences (see notes below) ²	Actively engage through annual newsletter.	Obtain feedback to evidence change and direct improvements	Mitigate risk of storms to ensure 'time-out' is minimised – ensure chalets are part of contingency programming	Graded increase in charges – open and transparent charging mechanism	Review opportunities for huts at other non-promenade locations
Move to on-line licence issue and receipt	Seek ways to highlight advantages of chalets/huts. Ie: Health / relaxation/ hobbies etc	Monitor comparative charges in East Anglia to ensure ongoing competitiveness	Use newsletter to highlight and negate risk (storms, vandalism, property)	Set 3 year term based on approvals – aim to reach target price within 2 years.	Increase/maximise the number of lets at Key resorts
Continue to encourage DD payment	Promote and encourage community spirit and improvements using events/competitions etc	Ensure all issues raised are dealt with efficiently and effectively.		Use matrix for determining charges to ensure clarity and transparency	

² **Setting the Licence Fee – how this will work**

It is generally felt that the charge levied for the beach hut or chalet licence should better reflect the market value. However, setting the licence fee for the next 5 years would be hard to justify as we don't know what the market is going to do over the next five years. Therefore the fairest option is to set the first three years – to allow the licence holder to assess their commitment, and review after 3 years. During the third year of the licence the rents will be reviewed through a process of comparing prices with others in similar locations. This will allow the Council to check that our charges are competitive and fair. If the market has significantly increased then rents may increase but similarly if the market is stagnant then rents will remain the same. Similarly loss of facilities or reductions in demand could potentially result in charges being reduced. For the purposes of this report we have suggested a new rent for chalets which has been phased in as appropriate over two years. For budget projection purposes we have indicated an annual 5% increase thereafter but this will be subject to market assessment and is not being 'set' at this stage beyond 3 years.

In addition to assessing and formalising market charges the Council can use 'reasonable / professional judgement' to determine an appropriate charge for a particular block or even, if appropriate, individual chalet/hut site. This means the Council has the discretion to apply relevant knowledge, training and experience to a situation. It allows us to look at the charges but then adjust these to better reflect the conditions / situation on the ground, for example, if a chalet is considered less desirable because it is situated away from the beach or is immediately adjacent a service area.

Stage 2: Undertake a review of service and implement changes following Stage 1 years 1 - 2

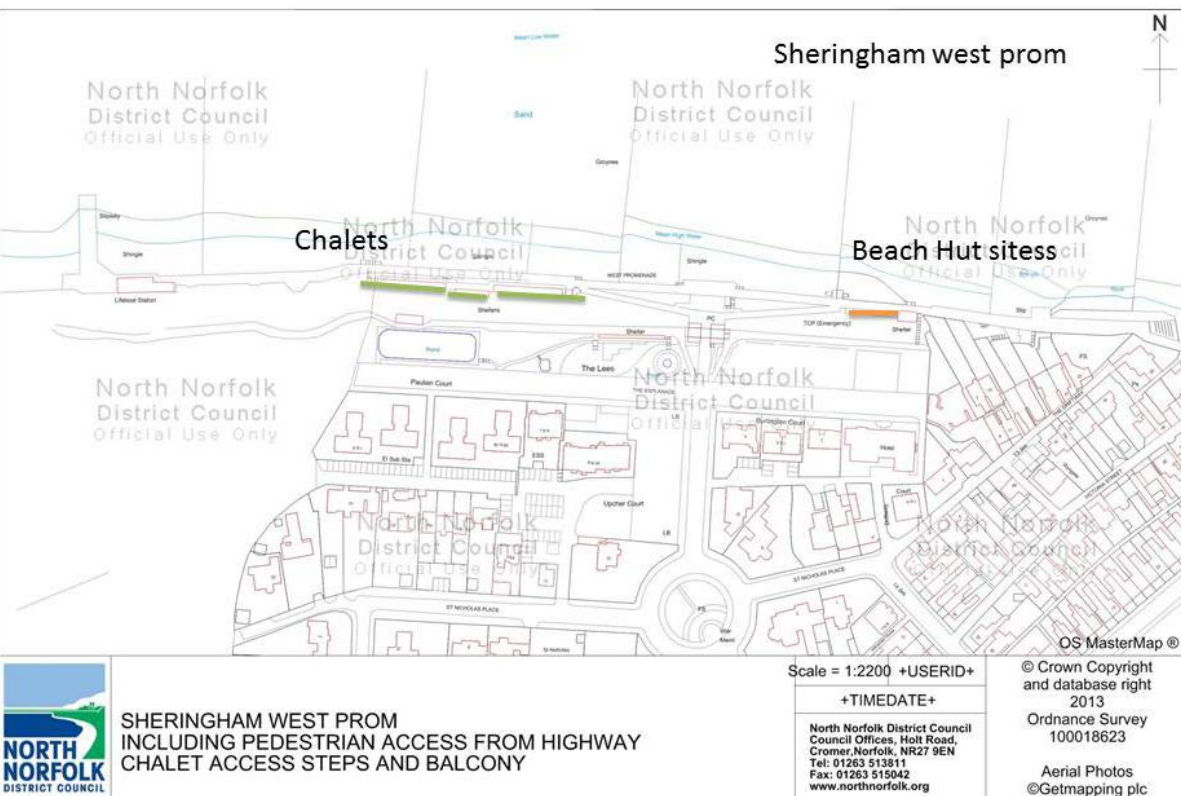
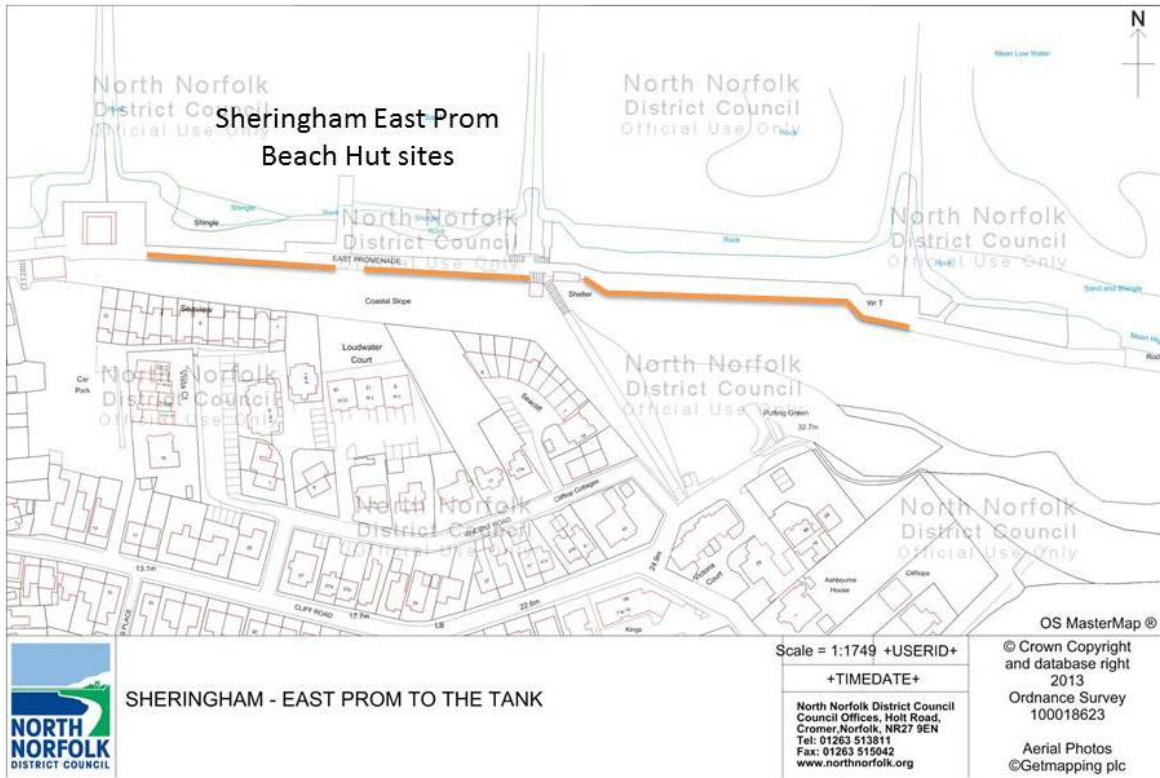
MARKETING	QUALITY AND MONITORING	OPPORTUNITIES
Advertise / promote waiting lists if necessary	Evaluate feedback and use results for future planning.	Consider use of currently redundant lower art deco block as new chalets if other options do not progress
	Review charging matrix – is it working?	If feedback suggests need for improved quality of offer (ie: designer chalets), submit business case and seek capital funding.

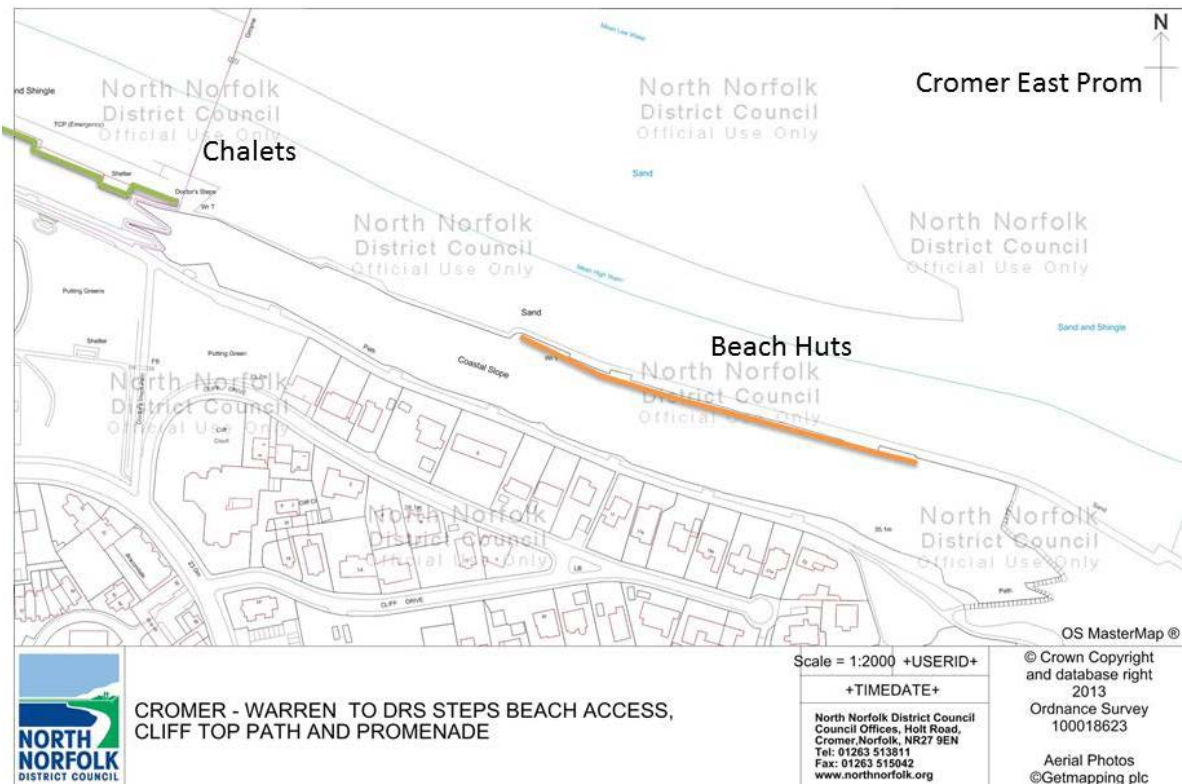
Stage 3: years 3 - 5

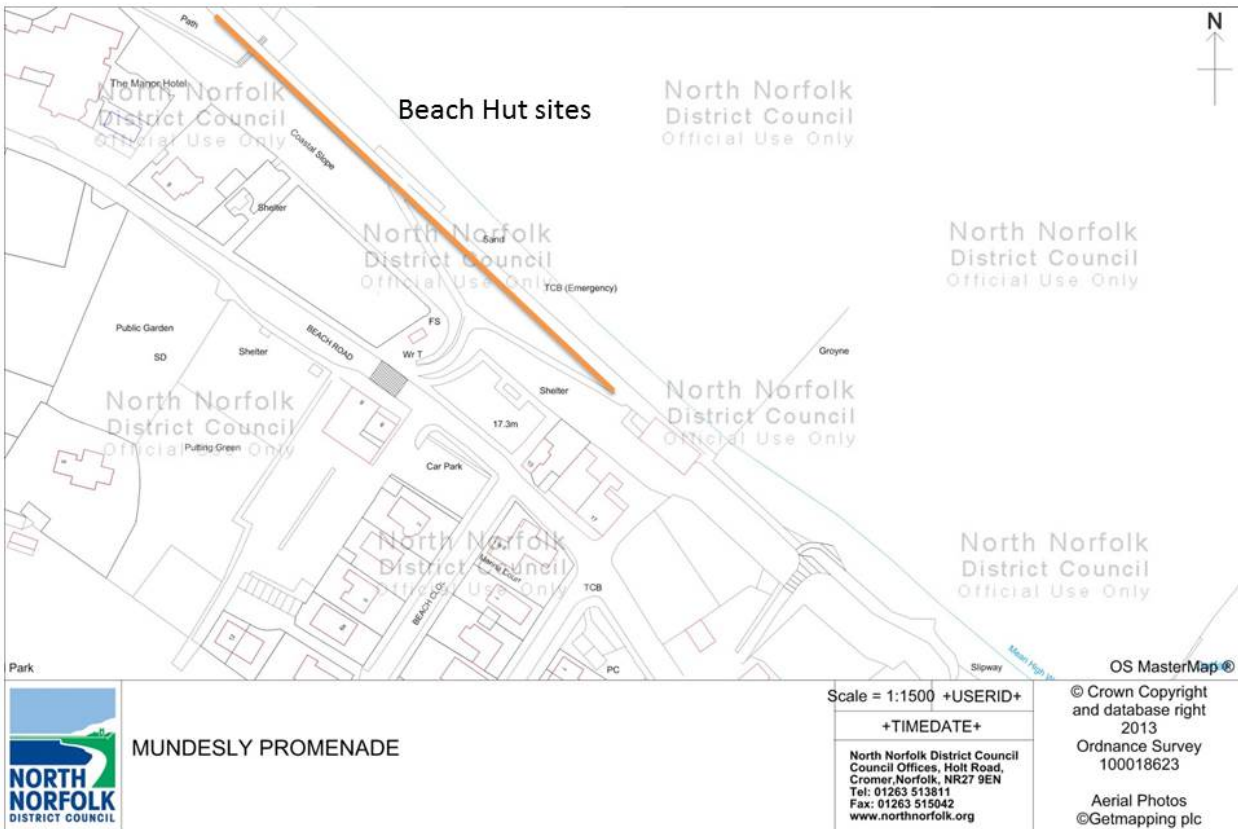
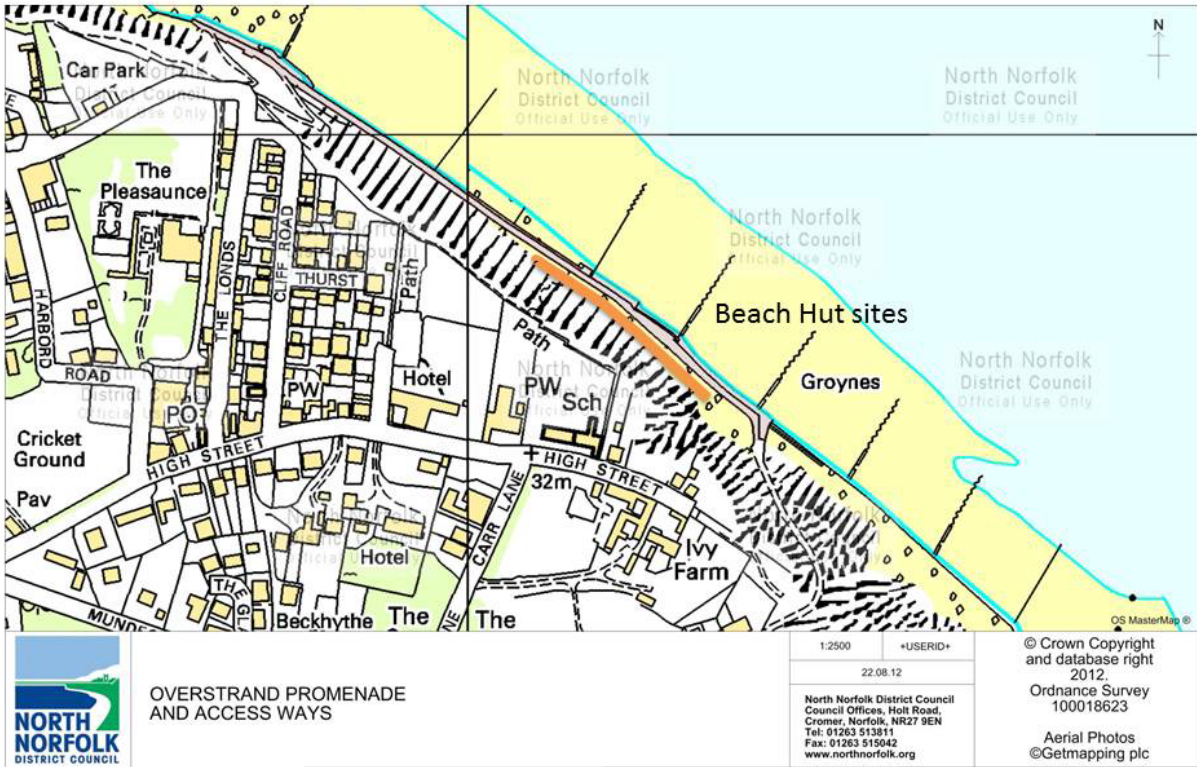
MARKETING	QUALITY AND MONITORING	OPPORTUNITIES
Advertise / promote waiting lists if necessary	Review prices for year 3 against market prices /local comparatives. Set for further two years. Repeat process to ensure continuity	Move from Annual lets to weekly lets if more viable to do so
		Consider selling or long term leasing (25yrs) of chalets and hut sites
		Consider outsourcing chalets to local businesses to manage maintenance and lettings

Appendices

Appendix a) Maps showing current beach chalets & hut sites







Clarification of Council Policies regarding Beach Huts and Chalets 2016/17



Each licence issued by the Council and signed by both a representative of the Council and the licence holder aims to outline the operational rules, roles and responsibilities of both the Council and the Licence holder. Underpinning the licence are policies which detail the management of the chalets and hut sites in order to ensure clarity and equity. Details relating to those policies are outlined below. These policies are not exclusive and are subject to change. Licence holders can request an updated copy as required.

Waiting Lists

1. A non-refundable payment of £25 per list is to be charged to join or remain on a waiting list. Applicants may apply to be on as many lists as they wish but the cost remains £25 per list. The resort lists are as defined below;

CHALETs (Brick built)	HUT SITE (Provide your own hut)
Cromer (east or west)	Cromer East
Sheringham	Cromer West
	Sheringham (east or west)
	Overstrand
	Mundesley

2. The waiting list applicant(s) must be;
 - Over 18 years old
 - Must consist of no more than two persons residing at the same address per entry
 - Children, siblings or other persons cannot be added to the waiting list and will not form part of any ongoing licence when it is offered
3. Applicants can request specific requirements such as the site location or type of chalet or hut site, on the understanding that they will NOT be offered a hut site or chalet that does not match the specific requirements. It should be noted that this may lengthen the time applicants remain on the waiting list.
4. Both Chalets and hut sites are offered strictly to the next person on the waiting list as they are relinquished.
5. Applicants are given two refusals before being returned to the bottom of the waiting list.
6. Once a chalet or hut is offered and accepted, applicants may remain on other waiting lists if desired. No refund is made if they choose to be removed from other lists. However applicants will only be offered ONE hut or chalet and acceptance of an alternative will result in the licence of the former site/chalet being relinquished.
7. It is the responsibility of the applicant to keep the Council informed of change of address/contact details. NNDC holds no responsibility for people not keeping their details up to date. People who cannot be contacted when a let is offered will be removed from the list without recompense or reinstatement.
8. Places on the waiting list are NOT transferable. There is no right of succession to a place on the waiting list.
9. Names/individuals cannot be changed/added to the waiting list excepting where one part of the party has changed status such as in the instance of death, divorce or marriage. Any changes must be made in writing to the Assets & Leisure team.

10. There is a 14 day cooling off period. Please contact the Council if you wish to cancel your application to be on the waiting list please during this period.
 11. The Council reserves the right to cap the waiting list and close applications for a set period.
 12. The Council reserves the right to refuse any application to a waiting list.
-

Reimbursements

When a current Licence holder decides they no longer wish to enter into an agreement with North Norfolk District Council and consequently relinquish use of the site or chalet they have to confirm, in writing, to Property Services their desire to relinquish the site/chalet and the date of effect.

The Council operates a sliding scale of reimbursement ie the 'value' of the site or chalet in December is not equal to the value of the same in August. A reimbursement is offered based on a refund (using the sliding scale) of the remaining whole months less £30 for administration fees. For a copy of the scale please email propertyservices@north-norfolk.gov.uk

Locks on Council owned premises

The Council reserves the right to access those chalets or beach huts it owns at any time to undertake inspections and maintenance work. For this reason all of the locks are on a master key system and licence holders are NOT permitted to replace the locks. Where possible, at least 28 days notice of intention to enter chalets will be given to the licence holder. However it must be remembered that occasionally entrance is required to deal with, for example, storm damage, vandalism or structural defects when notice is not possible prior to taking remedial action.

If a lock seizes or fails then every effort should be made by the licence holder to contact NNDC to request a new lock. In extenuating circumstances when a lock fails and has to be replaced by the licence holder because no remaining locks are in situ or the Council Offices are closed, a subsequent request must be made to the Council within 48 working hours to provide new locks.

Every attempt is made to fit new locks quickly and once fitted keys are forwarded to the licensee or arrangements are made for collection.

Where personal locks are found to have been fitted without explanation the Council reserves the right, without notice, to remove the lock and fit its own.

Sub-letting

Sub-letting of huts or chalets is NOT permitted.

Sub letting is deemed to be;

- Any use of a hut or chalet by a person or party who is not the licence holder, or a friend or family member of the licence holder, where the exchange of monies takes place for the use of the hut or chalet; or
- The advertising of a hut or chalet as part of the promotion of a holiday let, bed and breakfast or similar business establishment, where exchange of money does or does not directly take place for the use of the hut/chalet by the third party; or
- Any use of a hut or chalet for commercial or other benefit or gain by the licence holder.

Where evidence shows licence holders are in breach of their licence the Council will issue of written request to comply. Failure to comply within 2 weeks will result in the licence being revoked and the occupant being given 4 weeks to remove their hut and/or personal belongings.

Failure to remove chattels will result in the hut or chalet contents being removed and (if appropriate) sold to cover costs.

Rights to succession

The general position is that there is no right to succession: licences are for the person(s) to whom the licence was originally granted only. The holding of a licence is restricted to a maximum of two persons both of whom must be resident at the same address.

That means, upon the renewal of a licence each year, the names on the licence will usually be those on the licence in the previous year. It will not be possible to add new names except in the circumstances set out below.

In the event of death of one of the licensees, a new licensee who is a spouse, partner or civil partner living at the address of the existing licensee would be allowed to replace a licensee. Similarly, in the case of a divorce or separation of a couple, the person who remains as licensee would be allowed to add a new person, that is to say a spouse, partner or civil partner (subject to the residence restriction).

It is not possible to pass on the licence to adult children by adding their name to the licence. The only way that this could take place is for the adult children to add their name to the waiting list. If they were at the top of the waiting list, then they would be allowed to remain in that position waiting to “take over” their family’s beach chalet or hut licence.

BEACH HUT SITES ONLY

Huts site sizes and encroachments

A Beach Hut site area is deemed to be 3m frontage x 2.5m depth. A minimum 45 cm ‘gap’ either side is included as part of the hut site. In some circumstances this adjacent area may be larger, however there is no entitlement to use that space with your licence.



Licence holders are not entitled to utilise or encroach by way of decking, paving or similar built structure any areas outside of the site area outlined above. If clarification is needed in order to correctly position on the site then this should be sought PRIOR to the installation of the hut.

Licence holders are not permitted to make changes to the surrounding cliff face, promenade or vegetation by way or clearance, re-enforcement or installation of barriers or hoarding. If problems are evident please contact the Council for rectification / advice.

Insuring your hut

The requirement to insure your hut has been part of the hut site licence for many years but it was apparent, following the tidal surge, that many people did not insure their huts as requested.

Whilst we realise the huts are the property of the licence holder, because they are sited on public land which is frequented by the general public, the Council has a responsibility to take an overarching view of any site. This means essentially that the Council has to act appropriately where safe access to a site may be compromised. Devastation of multiple property makes clearing up very complex and if structures become dangerous then individual clear up is practically impossible to manage effectively. In a similar situation any works are still likely to be undertaken by the Council through appropriate contractors but in future the Council may seek recompense from the hut owner for undertaking this work.

In any such circumstance we can assure you that;

- The Council will not undertake any demolition of huts without prior notice and consent from licence holders (except in extreme circumstances where the structure is so damaged as to be an immediate danger to site users or the public);
- No claim by the Council towards this cost will exceed £500 per hut per claim;
- We will deal with your insurance company direct where possible;
- Provide a breakdown of the costs incurred upon request;
- Keep you informed at all times.

As a result we now require that:-

- Hut insurance includes a sum (minimum £500) to cover the cost of its demolition / clearance (many hut insurances do include this as standard).
- Hut owners submit a copy of the policy schedule as proof of insurance.

Our research has shown that insurance of a £2k hut is around £110 per year. Please note insurance of the contents is optional.

Sale of Huts

When a current licence holder decides they no longer wish to enter into an agreement with North Norfolk District Council and consequently relinquish use of the site, they have to confirm, in writing, to Property Services their desire to relinquish the site and the date of effect.

Current site holders are not permitted, under any circumstances, to sell-on, swap or transfer the rights to the site to a new or current site holder.

Sites are offered on a strict basis of next on the waiting list which is held and maintained by North Norfolk District Council Property Services.

If the out-going occupier wishes to sell their hut they must inform Property Services that they are happy for their contact details to be passed to the next person on the waiting list.

The two parties can negotiate a price for the sale/purchase of the hut but the new site holder is not bound to purchase the hut from the outgoing site holder and likewise the out-going site holder is not bound to sell their hut should they wish to keep it.

If agreement is not made and the new site owners wishes to purchase a new hut it is the responsibility of the out-going site holder to organise collection/removal of their hut from the site or from the storage facility within one month of the termination of the agreement.

If you require further clarification on any of the above policies please contact us via email: propertyservices@north-norfolk.gov.uk or write to Property Services, NNDC, Holt Road, Cromer

BEACH CHALET LICENCE

THIS AGREEMENT is made the 1st day of April 2017 BETWEEN:

- (1) NORTH NORFOLK DISTRICT COUNCIL of Council Offices, Holt Road, Cromer, Norfolk, NR27 9EN ('the Licensor') and
- (2) ('The Licensee')

NOW IT IS AGREED as follows:

I DEFINITIONS AND INTERPRETATION

In this agreement the following expressions have the meanings given in this clause.

1.1 'The Access Ways'

'The Access Ways' means the roads, paths, leading to and in the vicinity of the Chalet use of which is necessary to obtain access to and egress from the Chalet or those of them that afford reasonable access and egress thereto and there from and that the Licensor from time to time in his absolute discretion designates on 28 days' notice to the Licensee.

1.2 'The Licensors Adjoining Property'

'The Licensors Adjoining Property' means those surrounding areas not included within the definition of 'The Access Ways', to include, without limitation, remaining promenade areas, cliff slopes and other utilised land.

1.3 'The Designated Hours'

'The Designated Hours' means 6am to 11pm on each day of the Licence Period or such other hours as the Licensor from time to time in its absolute discretion determines on 28 days' notice to the Licensee

1.3 'The Chalet'

'The Chalet' means the land and building known as [Cromer East xx]

1.4 'The Chalet Guidance'

'The Chalet Guidance' means guidance published from time to time by the Licensor in relation to the use and management of chalets and can be viewed online (www.northnorfolk.org) or a copy requested from the Council.

1.5 'The Licence Fee'

'The Licence Fee' means £ xx

1.6 'The Licence Period'

'The Licence Period' means the period of [one year] commencing on 1st April 2017 and ending on 31st March 2018 or ending on the date on which the Licensee's rights under clause 2 are determined in accordance with clause 4.1.

1.7 Obligation and omission

Any undertaking by the Licensee not to do anything includes an obligation not to permit or suffer that thing to be done by another person where the Licensee is aware that the thing is being done.

1.8 References to clauses

Any reference in this agreement to a clause without further designation is to be construed as a reference to the clause of this agreement so numbered.

1.9 'VAT'

'VAT' means value added tax or any other tax of a similar nature.

2 THE LICENCE

Subject to the Licensee's undertakings and the other terms and conditions referred to in clause 3 and clause 4, the Licensor gives the Licensee the right, for the Licence Period and during the Designated Hours, in common with the Licensor and all others authorised by the Licensor so far as is not inconsistent with the rights given, to use the Chalet for recreational use ancillary to bathing or ancillary to other recreational use of the adjacent beach, and to use the Access ways for access to and egress from the Chalet.

3 LICENSEE'S UNDERTAKINGS

The Licensee agrees and undertakes as set out in this clause 3.

3.1 Licence fee and outgoings

The Licensee must pay the Licence Fee, to the Licensor in advance on the date of this agreement and must pay on demand a fair and reasonable proportion, apportioned in respect of the Licence Period, of all rates and other outgoings of a periodically recurring nature incurred in respect of the Chalet, together with any VAT.

3.2 Condition of site

The Licensee must keep the Chalet clean and tidy and clear of rubbish and leave it in a clean and tidy condition and free of the Licensee's furniture, equipment, goods and chattels at the end of the Licence Period.

3.3 Appearance of Chalet

The Licensee must keep the Chalet in good internal decorative order. The Licensee must not make any permanent alterations to the external or internal structure of the Chalet.

3.4 Encroachment

The Licensee must not encroach, build or place anything onto any land adjacent to or in the environs of the Chalet nor any part of the Licensor's Adjoining Property. The Licensee is permitted to use the Access Ways immediately adjacent to the Chalet for the purposes of sitting out only, subject to the proviso that there is no impedance or obstruction to the public's use of those Access Ways.

3.5 Fire Risk

The Licensee must take proper precautions against the risk of fire including not keeping combustible or volatile substances (e.g. gas canisters) in or outside of the Chalet or on any of the Access ways or the Licensor's adjoining property.

3.6 Reporting defects and occurrences

The Licensee must report to the Licensor any defects occurring in the Chalet in order that a review, repair or remedy can be affected. The Licensee must report to the Licensor as soon as possible, any suspected or actual break-ins or incidents of vandalism affecting the Chalet.

3.7 Access ways

The Licensee must not obstruct the Access Ways, or make them dirty or untidy, or leave any rubbish on them.

3.8 Signs and notices

The Licensee must not display any signs or notices at the Chalet.

3.9 Locks

Save in the case of emergency, the Licensee is to use the Licensor's lock to lock the Chalet at

all times when it is not in use and in the event that the Licensor inspects the Chalet and finds that the Licensee is using his own lock in contravention of this clause, then the Licensor may remove such lock and replace it at the cost of the Licensee and without prejudice to any rights of termination which may arise.

3.10 Nuisance and noise

The Licensee must not use the Chalet or the Access Ways in such a way as to cause any nuisance, noise, damage, disturbance or interference at the Chalet nor cause any nuisance, annoyance, inconvenience, interference, obstruction or disturbance to the owners, occupiers or users of any adjoining or neighbouring property.

3.11 Residential use and sleeping

The Licensee may only use the Chalet between the hours of 6.00 am and 11.00pm. The Licensee must not use the Chalet for any other purpose other than as a base for bathing, rest and recreation. The Chalet must not be used as sleeping accommodation or for residential purposes.

3.12 Animals

The Licensee may not keep any animal, bird or reptile in the Chalet save a dog or dogs which may be kept at the Chalet during the Designated Hours provided the dog or dogs are properly supervised at all times and do not cause nuisance or annoyance to other chalet, promenade or beach users.

3.13 Return of keys and rights of sale of unclaimed property on termination

3.12.1 At the termination of the Licence Period in accordance with clause 4.1 the Licensee shall return the keys to the Chalet to the Licensor and shall remove from the Chalet all chattels belonging to or used by the Licensee

3.12.2 If after the Licensee has vacated the Chalet on the termination of the Licence Period in accordance with clause 4.1 any chattel of the Licensee remains in or on the Chalet and the Licensee fails to remove it within 14 days after being requested in writing by the Licensor to do so or if after using its best endeavours the Licensor is unable to make such a request to the Licensee within four weeks days from the first attempt so made by the Licensor:-

3.12.2.1 The Licensor may as the agent of the Licensee sell such property and the Licensee will indemnify the Licensor against any liability incurred by it to any third party whose property shall have been sold by the Licensor in the mistaken belief held in good faith (which shall be presumed unless the contrary be proved) that such property belonged to the Licensee

3.12.2.2 If the Licensor having used its best endeavours is unable to locate the Licensee the Licensor shall be entitled to retain such proceeds of sale absolutely unless the Licensee shall claim them within two months of the date upon which the Licensee vacated the Chalet

3.14 Statutory requirements and insurance

The Licensee must not do anything that will or might constitute a breach of any statutory requirement affecting the Chalet or that will or might wholly or partly vitiate any insurance created in respect of the Chalet from time to time. The Licensee shall arrange contents insurance cover.

3.15 Indemnity

The Licensee must indemnify the Licensor, and keep the Licensor indemnified, against all losses, claims, demands, actions, proceedings, damages, costs or expenses or other liability arising in any way from this agreement, any breach of any of the Licensee's undertakings contained in this clause, or the exercise or purported exercise of any of the rights given in this Licence.

3.16 Rules and regulations

The Licensee must observe any reasonable rules and regulations the Licensor makes and notifies to the Licensee from time to time including those set out within the Licensor's "Chalet Guidance" governing the Licensee's use of the Chalet, or the Access ways.

3.17 Licensor's rights

The Licensee must not in any way impede the Licensor, or its officers, servants or agents, in the exercise of its rights of possession and control of the Chalet. The Licensor has the right to enter the Chalet for the purposes of condition survey and/or installation and removal of window protection boards carried out in March/April and October/November every year. Otherwise, where possible the Licensor will give at least seven days' notice to the Licensee in order to inspect or carry out repairs to the Chalet.

4 GENERAL

4.1 Determination

The rights granted in clause 2 are to determine (but without prejudice to the Licensor's rights in respect of any breach of the Licensee's agreements and undertakings contained in this Licence):

- 4.1.1 Immediately on notice given by the Licensor at any time following any breach by the Licensee of his agreements and undertakings contained in this Licence;
- 4.1.2 Immediately on notice given by the Licensor at any time following occasions such as forces of nature resulting in damage and / or loss to the Licensor's Chalet, Access Ways and Licensor's adjoining property which is deemed in the opinion of the Licensor to compromise any health and safety provisions.
- 4.1.3 In any case on not less than 28 days' notice given by the Licensor or the Licensee to the other party to expire on the last day of a month; and
- 4.1.4 in any case at the end of the Licence Period

4.2 Refund of proportionate part of Licence Fee

- 4.2.1 In the event that this Licence is brought to an end by the Licensor or Licensee through serving notice in accordance with clause 4.1.2 and 4.1.3, the Licensor may, at its absolute discretion, refund the Licensee a proportion of the Licence Fee such proportion based on the remaining number of whole months of the Licence Period but calculated using the Licensor's sliding scale (under which summer months have a higher percentage refund ascribed to them) and the Licensor shall, in the event that it has decided to exercise discretion in favour of the Licensee, make payment of such refund less the Administration Fee within 28 days of such termination of the Licence
- 4.2.2 In the event of any coastal, sea defence works or any works deemed appropriate or necessary by the Licensor that may be undertaken on the Licensor's Adjoining Property during the period of the Licence (and which in the Licensor's opinion shall materially interfere with the Licensee's enjoyment of the chalet) the Licensor shall decide at its own discretion as to whether there shall be any refund of any part or whole of the Licence fee paid. Any such decision made shall be final.
- 4.2.3 In the event of external or internal works being required on the chalet then the Council shall endeavour to give 28 day's notice and to ensure, where practically possible, works are carried out between October and March. When circumstances dictate this is not feasible then refunds will be made to licensees according to the Council's scale of charge/refunds only where access to chalets is denied in excess of 14 days.

4.3 Assignment prohibited

The benefit of this licence is personal to the Licensee and not assignable and the rights given in clause 2 may only be exercised by the Licensee and his invitees and visitors.

4.4 Supervision of Invitees and Visitors

The Licensee must ensure that his invitees and visitors abide by the terms of this Licence and the Licensor's "Chalet Guidance".

4.5 Licensee's Liability for Invitees and Visitors

The Licensee will remain personally responsible for the use of the Chalet by his invitees and visitors and any breach of the Licensee's undertakings contained in clause 3 by an invitee or visitor of the Licensee will be deemed a breach by the Licensee himself.

4.6 Liability excluded

The Licensor is not to be liable for the death of or injury to, the Licensee or his invitees or for damage to any property of theirs or for any losses, claims, demands, actions, proceedings, damages, costs or expenses or other liability incurred by them in the exercise or purported exercise of the rights granted by clause 2.

4.7 Notices

All notices given by either party pursuant to the provisions of this agreement must be in writing and are to be sufficiently served if delivered by hand or sent by first class post or where possible/agreed (in the first instance) via acknowledged electronic mail.

4.8 Emergencies

In the case of forces of nature situations, where the chalet has been damaged or destroyed beyond economical repair, the Licensor reserves the right to;

4.8.1 in association with paragraph 4.1.2 to serve 10 days' notice upon the Licensee to remove any contents remaining therefrom.

4.8.2 Following 4.8.1 above, should any contents not have been removed by the end of the specified period, the Licensor shall be at liberty to remove and dispose of the same with a right to reserve recovery of its costs from any unexpired Licence fee period. Should there be insufficient such funds, the Licensor reserves further rights of recovery of such costs from the Licensee.

5 CHARGING

The Licensee MAY NOT charge a fee to his invitees or visitors for allowing them use of the Chalet under the terms of his Licence and, in this context, charging a fee includes permitting the use of the Chalet as a benefit included with the letting of another property or accommodation whether or not a specific fee is, in fact, ascribed to this benefit by the Licensee.

Signed for and on behalf of the Licensor by

..... NNDC Authorised signatory Penny Sands / Ricky Wright

Signed by the Licensee(s)

..... Signature Name printed

..... Signature Name printed

BEACH HUT SITE LICENCE

THIS AGREEMENT is made the 1st day of April 2017 BETWEEN:

- (1) NORTH NORFOLK DISTRICT COUNCIL of Council Offices, Holt Road, Cromer, Norfolk, NR27 9EN ('the Licensor') and
- (2) ('The Licensee')

NOW IT IS AGREED as follows:

I DEFINITIONS AND INTERPRETATION

In this agreement the following expressions have the meanings given in this clause.

1.1 'the Access ways'

'The Access ways' means the roads, paths, leading to and in the vicinity of the Beach Hut Site use of which is necessary to obtain access to and egress from the Beach Hut Site or those of them that afford reasonable access and egress thereto and therefrom and that the Licensor from time to time in its absolute discretion designates on 28 days' notice to the Licensee.

1.2 'the Licensors Adjoining Property'

"The Licensors Adjoining Property" means those surrounding areas not included within the definition of "The Access ways", to include, without limitation, remaining promenade areas, cliff slopes and other utilised land.

1.3 'the Administration Fee'

'The Administration Fee' means a fee of £30 which may be charged by the Licensor to cover the Licensor's administration costs in the calculation of and repayment to a Licensee of refund of Licence Fee on termination.

1.4 'the Beach Hut'

'The Beach Hut' means the beach hut belonging to the Licensee which shall be of a type approved by the Licensor and conforming to standards set out in the Beach Hut Guidance.

1.5 'the Beach Hut Guidance'

'The Beach Hut Guidance' means guidance published from time to time by the Licensor in relation to the use and management of beach huts

1.6 'the Designated Hours'

'The Designated Hours' means 6am to 11pm on each day of the Licence Period or such other hours as the Licensor from time to time in its absolute discretion determines on 28 days' notice to the Licensee

1.7 'the Beach Hut Site'

'The Beach Hut Site' means the area of land known as Beach Hut Site [81] Cromer EAST which is of dimensions no larger than 3 metres frontage and 2.5 metres depth.

1.8 Headings

The clause headings and the table of contents do not form part of this agreement and must not be taken into account in its construction or interpretation.

1.9 'The Licence Fee'

'The Licence Fee' means £ 300.00

1.10 'The Licence Period'

'The Licence Period' means the period [of one year] commencing on 1st April 2017 and ending on 31st March 2018 or ending on the date on which the Licensee's rights under clause 2 are determined in accordance with clause 4.1.

1.11 References to clauses

Any reference in this agreement to a clause without further designation is to be construed as a reference to the clause of this agreement so numbered.

1.12 'VAT'

'VAT' means value added tax or any other tax of a similar nature.

2 THE LICENCE

Subject to the Licensee's undertakings referred to in clause 3 and clause 4, the Licensor gives the Licensee the right, for the Licence Period and during the Designated Hours, in common with the Licensor and all others authorised by the Licensor so far as is not inconsistent with the rights given, to use the Beach Hut Site for siting the Beach Hut for recreational use ancillary to bathing and other recreational use of the adjacent beach, and to use the Access ways for access to and egress from the Beach Hut Site and for no other purpose.

3 LICENSEE'S UNDERTAKINGS

The Licensee agrees and undertakes as set out in this clause 3.

3.1 Licence fee and outgoings

The Licensee must pay the Licence Fee, to the Licensor in advance on or before the date of this agreement and must pay on demand all rates and other outgoings of a periodically recurring nature incurred in respect of the Beach Hut Site including National Non Domestic Rates.

3.2 Encroachment

The Licensee must not encroach, build or place anything onto land which is not within the (3m x2.5m) Beach Hut Site. The Licensee is permitted to use the Access ways immediately adjacent to the hut site for the purposes of sitting out only, subject to the proviso that there is no impedance or obstruction to the public's use of those Access ways.

3.3 Requirement to keep Beach Hut at site

The Licensee is to use best endeavours to keep a Beach Hut at the Beach Hut Site throughout the period 1st June to 31st August and is to report to the Licensor without unreasonable delay any period of time during which there is no Beach Hut at the site.

3.4 Condition of site

The Licensee must keep the Beach Hut Site clean and tidy and clear of rubbish and leave it in a clean and tidy condition and free of the Licensee's Beach Hut, furniture, equipment, goods and chattels at the end of the Licence Period.

3.5 Appearance/Colour of Beach Hut

The Licensee must keep the Beach Hut in good decorative order inside and out in accordance with the design and specification set out in the Licensor's Beach Hut Guidance. The Licensee must place a number on the Beach Hut to correspond with the Site number within seven days of siting of the Beach Hut, failing which the Licensor reserves the right to place any such number at the Licensees cost.

3.6 Insurance and Risk

3.6.1 The Licensee shall maintain insurance cover in respect of the beach hut, inclusive of its contents and third party liabilities with copies of all policy documents being provided to the Licensor **upon the commencement of this Licence.**

3.6.2 The Licensee shall not keep any combustible or volatile equipment (eg gas canisters) within the hut or on any of the Access ways or Licensors adjoining property.

3.7 Reporting defects and occurrences

The Licensee must report to the Licensor any defects, including acts of vandalism, affecting the Site.

3.8 Access ways

The Licensee must not obstruct the Access ways, or make them dirty or untidy, or leave any rubbish on them.

3.9 Signs and notices

The Licensee must not display any other signs or notices at the Beach Hut Site.

3.10 Nuisance and noise

The Licensee must not use the Beach Hut Site or the Access ways in such a way as to cause any nuisance, noise, damage, disturbance or interference nor cause any nuisance, annoyance, inconvenience, interference or disturbance to the owners, occupiers or users of any adjoining or neighbouring property.

3.10 Residential use and sleeping

The Licensee may only use the Beach Hut between the hours of 6.00 am and 11.00pm. The Licensee must not use the Hut for any other purpose other than as a base for bathing, rest and recreation. The hut must not be used as sleeping accommodation or for residential purposes.

3.11 Animals

The Licensee may not keep any animal, bird or reptile in the Hut save a dog or dogs which may be kept at the Hut during the Designated Hours provided the dog or dogs are properly supervised at all times and do not cause nuisance or annoyance to other hut users.

3.13 Statutory requirements and insurance

The Licensee must not do anything that will or might constitute a breach of any statutory requirement affecting the Beach Hut Site or that will or might wholly or partly vitiate any insurance created in respect of the Beach Hut Site from time to time.

3.14 Removal of chattels on termination.

3.14.1 At the termination of this Licence in accordance with clause 4.1 the Licensee shall return the Beach Hut Site to the Licensor in the condition required by this Licence and shall remove from the Beach Hut Site all chattels (including the Beach Hut) belonging to or used by it.

3.14.2 If after the Licensee has vacated the Beach Hut Site on the termination of the Licence and does not enter into a new Licence on termination, the Beach Hut or any chattel of the Licensee remains in or on the Beach Hut Site and the Licensee fails to remove it within 28 days after being requested in writing by the Council to do so or if after using its best endeavours the Licensor is unable to make such a request to the Licensee within six weeks from the first attempt so made by the Licensor:-

3.14.2.1 the Licensor may as the agent of the Licensee sell such property and the Licensee will indemnify the Licensor against any liability incurred by it to any third party whose property shall have been sold by the Licensor in the mistaken belief held in good faith (which shall be presumed unless the contrary be proved) that such property belonged to the Licensee

3.14.2.2 If the Licensor having used its best endeavours is unable to locate the Licensee the Licensor shall be entitled to retain such proceeds of sale absolutely unless the Licensee shall claim them within three months of the date upon which the Licence terminated

3.15 Indemnity

The Licensee must indemnify the Licensor, and keep the Licensor indemnified, against all losses, claims, demands, actions, proceedings, damages, costs or expenses or other liability arising in any way from this agreement, any breach of any of the Licensee's undertakings contained in this clause, or the exercise or purported exercise of any of the rights given in this Licence.

3.16 Rules and regulations

The Licensee must observe any reasonable rules and regulations the Licensor makes and notifies to the Licensee from time to time including those set out within the Beach Hut Guidance governing the Licensee's use of the Beach Hut Site, or the Access ways.

3.17 Licensor's rights

The Licensee must not in any way impede the Licensor, or its officers, servants or agents, in the exercise of its rights of possession and control of the Beach Hut Site and every part of the Access ways

4 GENERAL

4.1 Determination

The rights granted in clause 2 are to determine (but without prejudice to the Licensor's rights in respect of any breach of the undertakings or agreements contained in this Licence):

- 4.1.1 Immediately on notice given by the Licensor at any time following any breach by the Licensee of his agreements and undertakings contained in this Licence; and
- 4.1.2 Immediately on notice given by the Licensor at any time following occasions such as forces of nature resulting in damage and / or loss to the Licensor's beach hut site, access ways and Licensor's adjoining property which is deemed in the opinion of the Licensor to compromise any health and safety provisions.
- 4.1.3 in any case, on not less than 28 days' notice given by the Licensor or the Licensee to the other party to expire on the last day of a month.
- 4.1.4 in any case, at the end of the Licence Period

4.2 Refund of proportionate part of Licence Fee

- 4.2.1 In the event that this Licence is brought to an end by the Licensor or Licensee through serving notice in accordance with paragraphs 4.1.2 and 4.1.3, the Licensor may, at its absolute discretion, refund the Licensee a proportion of the Licence Fee such proportion based on the remaining number of whole months of the Licence Period but calculated on the Licensor's sliding scale (under which summer months have a higher percentage refund ascribed to them) and the Licensor shall, in the event that it has decided to exercise discretion in favour of the Licensee, make payment of such refund less the Administration Fee within 28 days of such termination of the Licence
- 4.2.2 In the event of any coastal, sea defence works or any works deemed appropriate or necessary by the Council that may be undertaken on the Licensor's Adjoining Property during the period of the Licence (and which in the Licensor's opinion shall materially interfere with the Licensee's enjoyment of the site) the Licensor shall decide at its own discretion as to whether there shall be any refund of any part or whole of the Licence fee paid. Any such decision made shall be final.

4.3 Assignment prohibited

The benefit of this licence is personal to the Licensee and not assignable and the rights given in clause 2 may only be exercised by the Licensee and his invitees and visitors.

4.4 Liability excluded

The Licensor is not to be liable for the death of or injury to, the Licensee or his invitees or for damage to any property of theirs or for any losses, claims, demands, actions, proceedings, damages, costs or expenses or other liability incurred by them in the exercise or purported exercise of the rights granted by clause 2.

4.5 Notices

All notices given by either party pursuant to the provisions of this agreement must be in writing and are to be sufficiently served if delivered by hand or sent by first class post.

4.6 Supervision of invitees and visitors

The Licensee must ensure that his invitees and visitors abide by the terms of this Licence and the Beach Hut Guidance.

4.7 Licensee’s liability for invitees and visitors

The Licensee will remain personally responsible for the use of the Beach Hut Site by his invitees and visitors and any breach of the Licensee’s agreements or undertakings contained in this Licence by an invitee or visitor of the Licensee shall be deemed a breach by the Licensee himself.

4.8 Emergencies

In the case of forces of nature situations, where the beach hut has been damaged or destroyed beyond economical repair, the Licensor reserves the right to;

4.8.1 In association with paragraph 4.1.2 to serve 10 days’ notice upon the Licensee to remove the damaged beach hut and / or any remaining materials and contents remaining therefrom.

4.8.2 following 4.8.1 above, should the beach hut and / or any damaged material and contents not be removed by the end of the specified period, the Licensor shall be at liberty to remove and dispose of the same with a right to reserve recovery of its costs from any unexpired Licence fee period. Should there be insufficient such funds, the Licensor reserves further rights of recovery of such costs from the Licensee.

5 CHARGING

The Licensee may not charge a fee to his invitees or visitors for allowing them use of the Beach Hut Site under the terms of his Licence and, in this context, the Licensee’s charging of a fee includes permitting the use of the Beach Hut Site as a benefit included in or granted with the letting of another property or accommodation whether or not a specific fee is, in fact, ascribed to this benefit by the Licensee.

Signed for and on behalf of the Licensor by

..... Ricky Wright / Penny Sands NNDC Authorised signatory

Signed by the Licensee(s)

..... Signed
Name Printed

..... Signed
Name Printed

Appendix d) Overview & Scrutiny Task and Finish Group - Terms of Reference

Membership	<p>Three members of Overview & Scrutiny Committee (non-politically balanced)</p> <p>Coastal members to be invited to contribute when required.</p>
Purpose	To develop a 5 year Beach Hut / Chalet Strategy and Business Plan, optimising income streams and regularising the administration process whilst having regard to the reputation of the Council
Actions	<ul style="list-style-type: none"> • Consider written evidence regarding beach hut and chalet management, fees and charges policies • Attend site visits • If appropriate, attend other comparable sites / organisations to review good practice • Talk to people who are affected by this service and have regard to their views • Research and review, options, proposals, issues – as required • Help shape procedures and enforcement requirements • Agree a proposed plan of action for future management of all resorts and aspects of the beach hut sites and chalet assets • Agree a long term financial strategy for the service • Help shape positive change management through the media and other communication channels around implementation of the strategy
Reporting Framework	The Task & Finish Group will produce a report to be submitted to the Overview & Scrutiny Committee outlining details of the review process, evidence gathered, conclusions and subsequent recommendations
Administration	<ul style="list-style-type: none"> • Timetable of meetings (attached) • Agenda preparation • Minutes – referral of draft minutes and recommendations to Overview & Scrutiny Committee • Progress chasing
Risk & Mitigation	Sign off risk analysis for the corporate and service risk registers
Governance	<ul style="list-style-type: none"> • Regular reports and updates to the Overview & Scrutiny Committee • Confidentiality of information will be ensured where necessary
Housekeeping	All work undertaken within the framework of the corporate policies of the Council

