

## **HAVANT BOROUGH COUNCIL**

At a meeting of the Scrutiny Board held on 7 November 2017

Present

Councillor Buckley (Chairman)

Councillors Branson, Fairhurst, Francis, Lloyd, Patrick, Cresswell (Standing Deputy) and Davis (Standing Deputy)

Co-opted Members:

Councillor: Ponsonby

Councillors Invited to Attend:

Councillor(s): Lenaghan, Satchwell, Briggs, Turner and Wilson

### **55 Apologies**

Apologies for absence were received from Councillors Carpenter, Hughes, Quantrill, Shimbart and D Smith.

### **56 Minutes**

The Minutes of the meeting of the Scrutiny Board held on 26 September 2017 were agreed as a correct record and signed by the Chairman subject to the addition of Councillor Ponsonby to the list of attendees.

### **57 Matters Arising**

There were no matters arising.

### **58 Declarations of Interests**

There were no declarations of interests.

### **59 Chairman's Report**

The Chairman reported that:

- (a) he had been appointed Chairman of the Push Scrutiny Overview and Scrutiny Committee;
- (b) he had attended a meeting of the Push Scrutiny Overview Committee on Monday 31 October 2017;

- (c) he had attended a meeting of the Five Councils Partnership Corporate Services Scrutiny Committee on 30 October 2017 which had agreed to hold future meetings in abeyance until all the services to be transferred under the contracts were operational and issues had been identified by the individual Councils.

## **60 Beach Huts Review**

The Board was given the opportunity to consider and comment upon the Review of Beach Huts undertaken by the Operations, Environmental Services and Norse Scrutiny and Policy Development Panel (“the Panel”).

The Board was reminded that the first Phase of the review had been considered by the Board on 4 April (minute 32/4/2017) and agreed to consider phase two of the review.

The Chairman reminded members that the role of the Board was not to consider the review afresh but to direct its attention to the following issues:

- Had the Panel completed the review in accordance with its project plan?
- Had the Panel followed the correct scrutiny processes?
- Had the Panel addressed the issues and concerns raised since the report and findings pack had been published?

The Scrutiny Lead:

- (A) introduced the report and drew the Board’s attention to:
- a. the problems caused by misinformation raised by officers of the Council and Norse South East relating to the benchmarking survey undertaken during Phase 1 of the Review and the terms and conditions of the licence;
  - b. the project plan had been agreed by the Panel following consultation with the Cabinet Lead and Hayling Island ward councillors and took into account the issues raised by the complainants. At the suggestion of one of the Hayling Island ward councillors, the Panel had agreed to concentrate on ways to resolve the issues raised and not look back on past errors or decisions;
  - c. the review had included: an analysis of the complaints and benchmarking survey, consultation with ward councillors and beach hut representatives; and consideration of options put forward by beach hut representatives and the Cabinet Lead;
  - d. the findings and conclusions set out in the report

- (B) requested that the recommendations set out in Section 2 of the report be agreed subject to recommendation 2.1.7 being amended to read

“Agree that the facility to pay by equal instalment by direct debit over a six month period specified by Norse South East be offered to new and existing licensees with no administrative charge included or added”

The Board invited the following to address the Board and answer questions from members of the Board:

- (a) Mr Bedford, a beach hut representative, expressed concern that the following key issues raised by the beach hut owners had not been addressed by the Panel:
- (i) the 14.2% increase in plot for hire fees had been endorsed by the Panel without adequate reasons to justify this increase being given: the explanation given by the Council that the increase would bring the Council’s fees in line with other Council had been proven to be untrue with the Council’s fees before and after the increase being higher than the average market rate for Councils on the south coast;
  - (ii) the beach hut owners felt badly exploited; over a ten year period the plot for hire licence fees had increased by 100% for residents and 275% for non residents over the past ten years

Mr Bedford thanked the Hayling Councillors for their support. He further advised the Board that the licensees were not prepared to let this matter rest and would place a warning in the public domain that information issued by the Council or Norse South East should be thoroughly checked;

- (b) Mr Willis, a beach hut representative, expressed concern that the increase in plot hire fees and the introduction of transfer fee was excessive and unjustified. He complained that the review had not considered the turnover of beach hut licences. Mr Willis also referred to parking issues and asked who was the main point of contact for issues at Beachlands;
- (c) Mrs Windebank, a beach hut representative, endorsed the comments made by Mr Bedford and suggested that the Council should look at other ways to raise income;
- (d) Councillor Satchwell acknowledged partial responsibility for the increase in charges as she had voted in favour of the changes at full Council. However, she raised a number of criticisms of the review including the following:
- (i) Councillors had been misinformed about the level of increase proposed prior to their submission to the Council for approval;

- (ii) additional details of input the contributors made to the review should have been included in the in the Findings Pack;
- (iii) the findings pack did not properly record how the review was initiated;
- (iv) the Panel had failed to investigate the delay in issuing the invoices;
- (v) the findings pack was too lengthy and contained some typographical errors;
- (vi) the Panel had not challenged the reasons for the increase in fees;
- (vii) no detail on the elements that could be included in the Beach Hut Plot Transfer Fee had been given;
- (viii) the Hayling Island Ward Councillors had not been given an opportunity to agree the scope and had not agreed to exclude a discussion of past errors and decisions from the review;
- (ix) no reasons had been given for a 7 year lease which had not been requested by the licensees and would not give additional security of tenure;
- (x) the Panel had not interviewed any financial officers as part of its review;
- (xi) no explanation had been given of the direction the Council should take in consultation with the beach hut owners;
- (xii) the Panel had ignored the findings of the 2014 survey;
- (xiii) no progress had been made with the new beach hut site which could provide additional income to the Council;
- (xiv) the Panel had only considered the option submitted by the Cabinet Lead;
- (xv) the Cabinet Lead was involved in all discussions so there had been no independent financial scrutiny; and
- (xvi) the analysis of the benchmarking survey had been ignored

In response to a question from the Chairman asking if she though she had done her part in the scrutiny process, Councillor Satchwell advised that this scrutiny had made her re-evaluate her role in the scrutiny process and the need to ask the right questions.

The Chairman reminded Councillor Satchwell that the findings pack was lengthy as it contained all the information collected relating to the review: it was therefore intended as a reference document.

- (e) Councillor Wilson outlined how the review originated and raised the following concerns:
- (i) the benchmarking survey did not compare like for like;
  - (ii) the number of changes made or proposed to be made to the plot transfer fee endangered the Council's credibility; and
  - (iii) the 14.2% increase was well above CPI: £550 would have been a more reasonable figure.

In response to a questions from the members of the Board, Councillor Wilson:

- (1) acknowledged that he was a member of the Cabinet which considered and recommended the increase in fees. He further advised that in view of the amount of paperwork involved no justification for the increase was sought by the Cabinet when it considered these fees; and
  - (2) the review was a function of overview and scrutiny
- (f) Councillor Lenaghan raised concerns that non residents had to pay a higher fee and that the site identified for the new beach huts was currently used as an overspill car park. Councillor Lenaghan also expressed concern that the current fee structure encouraged the Council to let sites to non residents to raise more income, which would to the detrimental of residents of the Borough
- (g) The Acting Leader of the Council advised that:
- (i) the budget process required each Head of Service to consider the spending pressures on their service, their costs and income. In view of the reduction in Government Grants, fees were now viewed as a valuable source of income;
  - (ii) in the case of the recent increases in beach hut fees, he had been advised by the relevant Head of Service that the Council's beach hut fees were below other fees levied by other Councils and the market could accommodate these increases; and
  - (iii) beach huts were a luxury and not a necessity.

In response to questions raised by members of the Board, the Acting Leader of the Council advised that:

- (1) Phase 1 excluded a consideration of charges as the purpose of the review as to identify a new site for beach huts;
- (2) when setting fees the Head of Service would consider:
  - how much income could be raised by fees to reduce the costs of the department as a whole and not just the service, the subject of the fee or charge;
  - the market rate, which would include an valuation on how much the customers would be willing to pay;
- (3) the results of benchmarking surveys needed to be treated with care as the market price for each site would differ from one area to another
- (4) the plot transfer fee was considered reasonable as licensees were profiteering from selling beach huts on Council land from between £7000 to £13000;
- (5) the Council had not considered raising Council Tax over the past few years as it had received a Government incentive which was greater than the income that could be raised through a rise in tax.

In response to questions raised by member of the Board, the Operations Director for Norse South East reminded the Board that this was the first year that the service had been provided by the Company and:

- (1) advised that creating working practices between the Council and the Council had led to delays in issuing invoices this year
- (2). advised that the Company had adopted a more robust attitude towards non payment of fees (including the withdrawal of the facility to pay by instalments) to reverse a growing trend of non payment or only partial repayment of beach hut fees; the facility to pay by instalments had been re-established after consultation with the Council.
- (3) apologised for the content and tone of the letter which accompanied the invoices for this year as this did not meet the Councils standards. He assured the Board that actions had been taken to ensure that communications would be more in keeping with the Council's standards
- (4) advised that he did not have the figures relating to turnover of beach huts or details of the number of vacant beach huts readily available but could supply this data

In response to a question from a member of the Board, the Strategic Procurement Officer advised that the Council had no plans to reduce the fees for non residents to £500.

With reference to the comments submitted before and during this meeting relating to the role of Norse South East, the Chairman emphasised that the Council was responsible for setting fees and charges.

The Deputy Monitoring Officer advised the Board of the potential advantages, in terms of security of tenure, offered by a lease.

The Board discussed the recommendations of the review together with the views and responses of the invitees in detail.

With the exception of the recommendation relating to the level of the plot for hire fees (recommendation 2.1.4), the Board endorsed the recommendations of the Panel.

With regard to recommendation 2.1.4, the Board considered that, with the exception of the Beach Hut Plot Transfer Fee, beach hut fees should not be re-examined until the Cabinet had established the market rate for beach huts on Hayling Island and a strategy for achieving these fees. The market rate should consider such factors as fees on equivalent beaches, the demand and rate of change of ownership of beach huts.

In response to the concerns raised by Councillor Lenaghan regarding the fee structure as in (f) above, the Board felt that the Cabinet should consider whether residents of the Borough should be given first choice of new beach huts.

RESOLVED that the Scrutiny Board recommend Cabinet:

1. to consider ways of improving the appearance and site layout of the beach huts;
2. to consider providing new beach huts in the car park adjoining the Hayling Island Skatepark as shown in the appendix to these minutes. Such development to be constructed under permitted development rights subject to public consultation and consultation with statutory consultees;
3. to endorse the view that any additional beach huts should infill within existing beach hut sites on Hayling Island;
4. before examining beach hut fees the Cabinet should establish what the market rate is for a beach hut on Hayling island and propose a strategy for achieving that fee. The market rate should consider such factors as fees in equivalent beaches, the demand and rate of change of ownership;
5. to reduce the Beach Hut Plot Transfer Licence Fee to £100 and review the level of the fee for next year;

6. to endorse the principle that the Beach Hut Plot Transfer Licence Fee include other elements in additional to administrative costs;
7. agree that the facility to pay by equal instalment by direct debit over a six month period specified by Norse South East be offered to new and existing licensees with no administrative charge included or added;
- 8 agree that the instalment facility be made available for every year and not just this financial year;
9. agree that a seven year lease be offered to beach hut plot hire licensees;
- 10 agree that the officers of the Council and Norse South East be requested to build a working relationship with the newly formed Beach Hut Association;
- 11 endorse a more robust management of non payment of fees; and
- 12 consider whether residents of the Borough should be given first choice of new beach huts.

## **61 Assets of Community Value Policy Review**

The Board was given the opportunity to consider and comment upon the Review of Assets of Community Value Policy. The Scrutiny Lead for Communities and Housing Scrutiny and Policy Development Panel presented the report and answered any questions raised. The Cabinet Lead for Communities and Housing, the Assistant Solicitor, Corporate Support Manager, and the Planning Policy Manager were also invited to join the meeting and answer any questions in relation to the report.

The Planning Policy Manager requested that recommendation 2.1.3 be amended to read:

“agrees to information on how the Council considers ACV applications and how planning applications on designated ACVs are considered be included in the Draft Local Plan Local Plan 2036”

RESOLVED that

The Scrutiny Board recommend to Cabinet that:

- 1 the Council’s website be updated to contain clear information for the public detailing exactly what an Asset of Community Value (ACV) is, how they can apply, what can and cannot be used as a reason for the application and the requirements for groups submitting nominations;
- 2 Councillors be sent information to enable clear direction to be given to residents;

- 3 investigate the feasibility of levying a charge for all ACV applications to the Council, with a refund given to successful applicants;
- 4 agrees to information on how the Council considers ACV applications and how planning applications on designated ACVs are considered is included in the Draft Havant Borough Local Plan 2036;
- 5 a review be undertaken into the resources used by the Council to facilitate the ACV process.;
- 6 the Constitution be amended to include the delegation of the authority to determine nominations for the listing of AVC's to the Cabinet Lead for Communities and Housing; and
- 7 authority be delegated to the Head of Communities and Housing to select Councillors to the Assets of Community value panel on a meeting by meeting basis, provided that these Councillors are not members of the Cabinet or where the asset concerned is within their ward.

## **62 Scrutiny Board Work Programme**

The Scrutiny Board considered the Scrutiny Work Programme 2017/18 and the Panel's performance since the last meeting of the Board.

RESOLVED that:

- (a) the Scrutiny Work Programme 2017/18 be approved subject to the addition of a review into motorhome parking charges being included in the programme; and
- (b) the Panels' performance be noted.'

**The meeting commenced at 5.00 pm and concluded at 8.08 pm**

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**Chairman**