

2022/23 FEES & CHARGES – BEACH HUT LICENCE FEES

1. INTRODUCTION

- 1.1 As part of the annual budget setting process, non-statutory fees and charges are reviewed for the forthcoming financial year.

2. BACKGROUND

- 2.1 The decisions over fees and charges have to be within the constraints of the overall financial framework and the medium-term financial plan. At the same time, decision making regarding fees and charges must reflect a 'commercial' environment with a need to react swiftly and proactively to changing conditions. As a result, power to agree fees and charges, or to make formal arrangements for the setting of fees and charges within a Portfolio, is delegated to the Portfolio Holder.

3. PROPOSED CHANGE

- 3.1 For the financial year 2021/22 the Council was able to apply a reduced VAT rate of 5% to the annual licence fee. This reduced rate was implemented by HMRC as a temporary measure due to the impacts of covid. During September 2021 this temporary rate was revised to a further temporary rate of 12.5% until 31st March 2022.
- 3.2 For the new financial year of 2022/23 the Finance Team have advised that the temporary rate of 12.5% will revert to the usual 20% VAT rate. However, if invoices are raised before 1st April 2022 the 12.5% rate can apply to the annual licence fee.
- 3.3 An initial uplift in the annual licence fee of 12% was proposed to the New Forest Beach Hut Owners Association (NFBHOA). The association was also informed that the Council proposed to raise invoices during March 2022 to enable the temporary 12.5% VAT to be passed onto licence holders.
- 3.4 The NFBHOA were appreciative of NFDC applying the reduced temporary VAT rate of 12.5%, as the expectation was for the full 20% rate to be applied. They did however, challenge the proposed 12% uplift as being excessive and asked if consideration could be given to lowering this.
- 3.5 Following engagement by the Service Manager with the NFBHOA and the Executive Head for Planning, Regeneration & Economy it was agreed to reduce the proposed uplift to 10%.
- 3.6 In addition the category of licence fee for over 14sq m has been removed, to be replaced with:
- 14 - 16sq m
 - Over 16sq m
- 3.7 All proposed fees and charges for 2022/23 are detailed in Appendix A.

4. FINANCIAL IMPLICATIONS

- 4.1 The estimated additional income across all beach sites is circa £38,000 to £57,000 (ex VAT). The potential difference in income is due to:
- Hut numbers reducing/potentially reducing due to erosion issues
 - Ownership changes between resident and non-resident
 - Hut sites being remeasured with resulting changes to licence fees
- 4.2 Additional income will be used to supplement and support existing budgets in delivering current and future projects (revenue & capital) across the coastal zone.

5. CRIME & DISORDER, ENVIRONMENTAL AND EQUALITY & DIVERSITY IMPLICATIONS

- 5.1 None

6. RECOMMENDATIONS

- 6.1 That the fees and charges detailed in Appendix A be agreed and adopted for 2022/23.

7. PORTFOLIO HOLDER ENDORSEMENT

I have agreed to the recommendation of this report.

Sign: Cllr Steve Davies

Date: 14 January 2022

For further information contact:

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Background Papers

None

Date on which notice given of this Decision – 14 January 2022

Last date for call in – 21 January 2022