

# Public Document Pack

Subject to approval at the next Economy Committee meeting

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## SPECIAL ECONOMY COMMITTEE

12 September 2024 at 6.00 pm

Present: Councillors Nash (Chair), Woodman (Vice-Chair), Edwards, Gunner, Lawrence, Lloyd (Substitute for Councillor Cooper), Lury (Substitute for Councillor Oppler), Northeast, Pendleton, Penycate and Stanley.

Councillor Tandy was also in attendance at the meeting.

### 202. APOLOGIES

Apologies for Absence had been received from Councillors Cooper and Oppler.

### 203. DECLARATIONS OF INTEREST

There were no declarations of interest made.

### 204. MINUTES

The Minutes of the previous meeting held on the 8 July 2024, were approved by the Committee and signed by the Chair.

### 205. ITEMS NOT ON THE AGENDA THAT THE CHAIR OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

The Chair confirmed that there were no urgent items to present to the meeting.

### 206. PUBLIC QUESTION TIME

The Chair invited questions from the member of the public who had submitted their questions in advance of the meeting in accordance with the Council's Constitution.

(A schedule of the full questions asked, and the responses provided can be found on the meeting's webpage at: [Arun District Council](#))

The Chair confirmed that two questions had been submitted for this meeting. The questions have been very briefly summarised below:

- 1) From Mr Edwards regarding the untapped economic and investment opportunities in the health and wellness sector and the Council's plans to promote through council policies and initiatives; and
- 2) From Mr Edwards regarding committing to working with the Chair of the Licensing Committee to undertake a review of the Council's Street trading and market policy

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The Chair then drew Public Question Time to a close.

207. COASTAL CATALYST, PLACE PARTNERSHIP FUND BID

The Chair invited the Economic Regeneration Projects Officer to present his report to members which outlined that a Place Partnership Fund bid funded by the Arts Council, England and led by Brighton Dome and Festivals Limited had been successful in being awarded a total of £900k to deliver youth based project work by working within seven local authority areas along the coast of West and East Sussex. The report was seeking the Committee's approval and to confirm its support for the Council's inclusion in the funded project.

The report explained the activities that were likely to take place and what the benefits of these activities would be for the communities within Arun. The existing delivery partners included in the bid has also been listed for added information. It was also explained that as the funding had been awarded to an external body there was no funding or financial commitments required from the Council.

The recommendation was then proposed by Councillor Stanley and seconded by Councillor Penycate.

In inviting debate from the Committee, the Chair outlined his view that this was positive for the Council as there was no risk or cost to Arun, only opportunities that could benefit young people in the future.

In debating the report, Members were interested to hear if funding had been confirmed for Arun. It was explained that Brighton Dome & Festival Limited had been awarded the £900k for activities across the coastal area explained earlier. It was not possible to confirm a precise figure, at this stage, that could be awarded or spent in Arun. The establishment of three new creative hubs in Arun, Eastbourne/Newhaven and Bexhill would assist with this process.

Another area of interest was whether any funding would be earmarked specifically for largely digital type projects to promote that economy. It was explained that the project was focused on investing in infrastructure to support this area which was seen as a vital sector locally creating more opportunities for young people aged 14 to 25 so that they could learn the skills needed to fill employment gaps and expand the creative digital sector. A Member was keen to have confirmed if the Arun Youth Council would be involved with this project. It was confirmed that Artswork (National Portfolio Organisation which was operating in Bognor Regis and Littlehampton) and a delivery partner for this project ran the Arun Youth Council and so assurance was given that they would be consulted so that they had an understanding of the project and its focus.

Returning to the existing delivery partners set out in the report, it was felt that there were local organisations that had been omitted from that list. Could the list be expanded and added to in terms of future partners making contact to become involved in the project. Having received assurance that there was scope to enhance the list and that discussions were already planned with the University of Chichester, Butlins and Arun Arts, the Committee,

RESOLVED

That it supports Arun District's inclusion in the funded project

208. BEACH HUT LEASE TERMS - BEACH ACCESS CONSIDERATIONS

The Chair invited the Group Head of Technical Services to present an updated report to the Committee setting out further options for beach hut lease terms. The report followed a previous report submitted to the July meeting of the Committee on Beach Hut lease terms and proposed rent levels and terms of leases which would be granted from 1 April 2025 for a period of three years. The proposed rent levels had been based on an appraisal of the market and represented a 16.5% increase not the 15% that had been highlighted in the July Committee report and a second option proposal of 20%. It was highlighted that the report also responded to questions that had been raised by the Committee at its July meeting regarding beach access solutions and the allocation of beach hut income towards such a scheme as well as responding to requests made to explore options for lease mechanisms to permit subletting or sharing of occupation and proposals for further rent increases to non-resident leaseholders. This report responded to the questions that had been raised as requested by the Committee.

The Group Head of Technical Services then worked through the recommendation options provided. One of the areas that Officers had been asked to investigate was for rental beach hut leaseholders to be able to share occupation and Members were reminded that subletting had been included when the Committee had previously considered beach hut leases in April 2022. That option had been offered for an increased rent premium of 25% over the base rent. It was reported that there had been no uptake of that offer due to the bureaucratic process involved in establishing sub leases. A leaner alternative set out within the report at Paragraph 4.14 was that the Council could host an Airbnb style booking service where beach hut leaseholders could list their hut for daily hire, with the council taking a commission for each booking. Officers had explored this proposal and had not considered this to be viable for the reasons explained in the report.

Further research into the willingness of existing tenants and prospective tenants on the waiting list to share their huts would be beneficial and had been captured by Recommendation 2.3. The recommendation, in the meantime, was to introduce an option within the rental beach hut leases to allow sharing of occupation for a premium of plus 20% above the rent levels set out in the recommendations at 2.1 - Options 1 and 2.

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The Group Head of Technical Services then explained the second option set out in the recommendation 2.1.1. which proposed an increase of 20% on the annual rent for Arun residents and non-Arun residents. It was confirmed that there were only 7 non-resident tenants and so the risk that needed to be considered was that this increase might result in those tenants not renewing their leases leading to a reduction in income levels. That option also proposed that a budget be established representing 5% of the expected annual income from beach huts over the 3 year terms to provide an element of funding to improve beach access for Littlehampton and Bognor Regis. The report provided the background to the establishment of the Beach Access Working Party [for Bognor Regis] by the Environment Committee and the Council's Coastal and Flood Engineering Manager explained the principles and the work of that Working Party which would be applied to Littlehampton.

As part of this presentation, the Committee was advised that if it chose to approve Option b) the funding generated by the 5% would look to address the physical disconnect and challenges that existed in terms of accessing the beach by looking to enhance accessing the promenade and overcoming difficulties of access from nearby disabled parking; public conveniences, shops and cafes. To be able to provide any such enhancements would demonstrate the council's commitment to continuous improvement of the coastline.

Having received the presentations, the Chair confirmed that there were two options for the Committee to consider in confirming the lease arrangements from 1 April 2025 to 31 March 2028. Option 1 was to increase rentals by 16.5% but with no option to raise funding for beach access, whereas Option 2 proposed a budget establishment for this in addition to increasing rentals by 20%. He confirmed his preference which was to pursue and debate Option 2 and asked the Committee if it would be happy to discuss the merits of this option. This was agreed, subject to more information being received on the additional infrastructure that was needed and could be realistically provided by the 5% budget.

The Chair confirmed that Option 2 would now be debated by the Committee with this being proposed by Councillor Northeast and seconded by Councillor Stanley.

The Chair invited debate and concern was raised by a member of the Committee over the links provided in Section 4 of the report which he stated he could not access. It was also reported that not all the background papers to the report could be accessed either. That Member expressed his view that it would be difficult to confirm a decision without all the information being made available to Members. Most Members confirmed that they were comfortable with the information provided within the report and so the suggestion of an adjournment to allow the paperwork to be provided was not proposed.

Turning to beach access and the terms of expanding the agreed beach access objectives to Littlehampton, questions were asked as to whether the proposals included consideration of forming a second Beach Access Working Party for Littlehampton or whether the existing Working Party would be expanded to cover the remaining Arun area. It was explained that the guiding principles set by the Environment Committee would be used and applied to Littlehampton addressing the differences in coastline. The

Committee was also interested to learn if there was a list of priorities confirmed that could be worked on quickly for Littlehampton. The Coastal and Flooding Engineering Manager provided an update highlighting that the activities that would commence first would be those that utilised the existing principles gained through previous engagement with stakeholders.

Following further discussion surrounding the background papers that could not be accessed, Councillor Woodman proposed that the meeting should not adjourn, and this was seconded by Councillor Lawrence. On this being put to the vote it was declared CARRIED.

The Chair returned to the recommendations in the report and the Committee,

RESOLVED – That

- (1) The Economy Committee delegates authority to the Group Head of Technical Services to:

Offer and grant the 92 existing and 13 additional rental beach huts for lease on like terms as the existing agreements, save as to the following:-

Contractual Term

A term of three years commencing on 1st April 2025 and expiring on 31st March 2028

Annual Rent Arun District Resident

An initial annual rent of £1,437.66 (excl. VAT) which includes a 20% increase on 24/25 annual rent, to increase annually by RPI.

Annual Rent non-Arun District Resident

An initial annual rent of £1,725.18 (excl. VAT) which includes a 20% increase on 24/25 annual rent, to increase annually by RPI.

First by renewal to existing tenants, and second to Arun District residents only from the appropriate waiting list, and thereafter to Arun District residents only by appropriate marketing strategy, and that a budget then be established representing 5% of the expected annual income from rental beach huts for the proposed 3-year term, for use towards the agreed beach access objectives (4.3) at both Littlehampton and Bognor Regis.

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- (2) Include an option within the rental beach hut leases allowing tenants to share occupation at an increased rent of +20% above the rents stated in 2.1.1.
- (3) That the Economy Committee

#### RECOMMENDS TO THE ENVIRONMENT COMMITTEE

That the principles and agreed objectives (4.3) established by the Bognor Regis Beach Access Working Party be applied additionally to Littlehampton Beach; and

- (4) That officers survey existing beach hut leaseholders and waiting list customers to better understand any interest in future opportunities for sharing of occupation in relation to beach hut leases and the income that may generate for the Council, reporting back to this committee no later than Q1 2026.

#### 209. OUTSIDE BODIES UPDATE

The Chair confirmed that the following Outside Bodies relative to this Committee had been disbanded:

- Coastal West Sussex Partnership Board; and
- Rural West Sussex Partnership

#### 210. WORK PROGRAMME

Members noted the work programme for 2024-25. In doing so, concern was raised over the number of significant items for the next meeting of the Committee on 22 October 2024. Questions were asked as to why some of the items for that meeting, such as the Budget Process Report, could not have been moved and considered at this meeting of the Committee.

The Director of Growth confirmed that such consideration had been given and that Item 6, considered earlier, had been moved from 22 October to tonight's meeting. It had not been possible to bring forward any of the remaining items for the next meeting.

Other Members confirmed their concerns at the number of items for the next meeting and asked if any could be deferred to the January 2025 meeting. Having examined the items for that meeting, similar concerns were expressed and so Officers were asked if they could look at convening a further Special meeting of the Committee around early December so that the number of items for the October and January meetings could be reduced to a realistic number.

Discussion then took place regarding the frequency of meetings for the Committee. Councillor Gunner proposed that the Constitution Working Party be asked to review the frequency of meetings for the Economy Committee, and this was seconded by Councillor Lury.

The Committee

**RECOMMEND TO THE CONSTITUTION WORKING PARTY**

That the frequency of meetings for the Economy Committee be reviewed.

(The meeting concluded at 7.00 pm)

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