

Causeway Coast & Glens Shadow Council

To: Organisational Development Committee

Fees and Charges Council Caravan Sites 2015-16

22nd January 2015

4.0 Report to Committee

Linkage to Interim Corporate Plan	
Strategic Themes	Prosperity. Sustainable Environment.
Lead Officer	Richard Baker Transitional Management Team - Leisure and Development Group Lead. Corporate Director - Coleraine Borough Council
Cost: (If applicable)	

4.1 Background

As a result of The Caravans Act (Northern Ireland) 2011, it became law for all Caravan sites in Northern Ireland, including Causeway Coast & Glens District Council (in line with all commercial operators) to implement appropriate changes and practices. As part of the Act there is an allowance for the annual review of Site Fees, based on any charges such as rates and water charges, inflation, operating costs, sums spent improving the Parks and their facilities, and current market rates for Site Fees.

Council is on schedule to complete a £1.95m upgrade to facilities at Juniper Hill Caravan Park in 6 weeks.

The essential replacement of Service Utility Posts under H&S requirements is the first stage of a similar major upgrade proposed at Carrick Dhu Caravan Park, and is also on schedule for completion by March 15.

As a result of the service, position and business model adopted, site demand at both Parks is high, with waiting lists at capacity due to pricing being viewed as competitive when compared against other local alternatives.

For the period from 2011 to 2014, site fees have been increased in line with inflation, specifically the Consumer Price Index (CPI).

Based upon low levels of inflation, operational costs are estimated to increase by circa. £12,000 in the 2015-16 period.

4.2 Detail

Council's may wish to consider the following site fee options for the season 2015-16:

- No increase in fees, resulting in a decrease in profit for Council.
- An increase based of CPI (1.75%), maintaining the general current level of profit for Council, whilst retaining a modest contingency sum.

- An above-inflation increase of 3.0%, to mitigate against the cost of disruption that may result from the current infrastructure works.

The three options are illustrated in Table 1 below.

No increase is proposed for the administration fee for insurance as there is no change in the requirement.

Arrangements for the payment for electricity usage remains unchanged.

The CPI rate is an average over the 12 month period October 2013 - September 2014.

With regard to Rates, the proposals below apply an increase attributable to the central government rate of 1.5 %.

Table 1

Item	Current	1.75% Increase	3.00% Increase
Basic Annual Site Rental	£1,724.17	£1,754.34	£1,775.90
Annual Rates	£175.00	£177.63	£177.63
VAT at 20%	£379.83	£386.39	£390.70
Total Site Fee	£2,279	£2,318	£2,344
<i>Net Increase per Static</i>	<i>n/a</i>	<i>£39</i>	<i>£65</i>
<i>Total Increase in Turnover</i>	<i>n/a</i>	<i>£31,356</i>	<i>£52,260</i>
<i>Change in Net Profit</i>	<i>-£12,000</i>	<i>+£19,356</i>	<i>+£40,260</i>

Charges for Touring Sites are proposed in Table 2.

A premium continues to be charged for Special Event periods (e.g. NW 200 and Airwaves) due to high demand.

Table 2

Period	Current		Proposed	
	Non-Serviced Touring Sites	Serviced Touring Sites	Non-Serviced Touring Sites	Serviced Touring Sites
Off Peak	£18.00	£20.00	£20.00	£22.00
Peak	£20.00	£22.00	£22.00	£24.00
Events	£40.00	£40.00	£44.00	£44.00

4.3 Recommendation:

1. Whilst recognising the investment in the sites and the corresponding increase in demand, a period of disruption is occurring, therefore it is recommended that Council applies an increase of 1.75% to the fees for static caravans.
2. It is further recommended that Council approves the Touring Fees in Table 2.

R BAKER