

## Summary Sheet

### **Name of Committee and Date of Committee Meeting**

Cabinet and Commissioners' Decision Making Meeting – 19 February 2018

### **Report Title**

Allotment Rents 2019-20

### **Is this a Key Decision and has it been included on the Forward Plan?**

Yes

### **Strategic Director Approving Submission of the Report:**

Damien Wilson, Strategic Director, Regeneration and Environment

### **Report author(s):**

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### **Ward(s) Affected:**

All

## Executive Summary

In conducting its annual review of allotment rents, the Council considers what a tenant might reasonably be expected to pay for such land, in accordance with the requirements of the Allotments Act 1950, along with the need to generate sufficient income to sustain service delivery. Recommendations in this report also take into account the views of plot-holders who have been consulted as part of a review of the allotments service.

## Recommendations

1. That allotment rents for the 2019-20 financial year be set at levels shown in Appendix 1.
2. That the requirement for existing allotment tenants to be notified of the new rents at least 12 months in advance of their introduction on 1<sup>st</sup> April 2019 be noted.

## List of Appendices Included

Appendix 1 – Proposed allotment rents

**Background Papers**

None

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **Allotment Rents 2019-20**

### **1. Recommendations**

- 1.1 That allotment rents for the 2019-20 financial year be set at levels shown in Appendix 1.
- 1.2 That Cabinet note the requirement for existing allotment tenants to be notified of the new rents at least 12 months in advance of their introduction on 1<sup>st</sup> April 2019.

### **2. Background**

- 2.1 The Council reviews allotment rents annually. Rents are set one year in advance to allow tenants to be given 12 months' notice of any increase, which is a statutory requirement. Therefore, rents recommended in this report are for 2019-20. The setting of rents for allotments is subject to further legal considerations, as set out in Section 8 below.
- 2.2 The Council lets plots on some allotment sites directly to individual tenants, whilst others are leased to allotment societies who pay the Council a rent based on the usable area of the site. Proposed rents for both types of site are recommended in this report.
- 2.3 Rents at better equipped (Class A) sites are slightly higher than at other (Class B) sites. All sites managed directly by the Council are Class B, while a mix of Class A and Class B sites are leased to allotment societies.
- 2.4 Although there are waiting lists for many allotment sites across Rotherham, demand on a small number of sites is low, and consequently land can be offered for grazing and commercial growers. Following a review of grazing, the previous fixed rate was replaced by a tendering process during 2016 as this is believed to be a better way of successfully letting at the best price for the Council. It is proposed that the rent for commercial growers remains unchanged as there has been very little uptake of this recently.

### **3. Key Issues**

- 3.1 An annual review of allotment rents is an important part of the budget process, as it affects the amount of income received by the Council which, in turn, affects the level of financial resources available for continued service delivery.
- 3.2 The process for setting allotment rents is governed by statute. Consideration of information set out in this report is an important part of this process

#### **4. Options considered and recommended proposal**

##### **4.1 Increase allotment rents faster than the rate of inflation**

Rents are normally increased each year, reflecting what a tenant might reasonably expect to pay for allotment land and also to generate sufficient income to meet all relevant costs associated with continued service delivery. An increase at a rate greater than inflation would generate more income overall in real terms and this would allow additional investment in the service, a reduction in the subsidy paid by the Council, or both.

##### **4.2 Increase allotment rents in line with the rate of inflation**

A rent increase based on the Consumer Prices Index (CPI) should, in theory, be sufficient to cover the increased costs of service delivery. The calculation of proposed rates shown in Appendix 1 has been based on the CPI reported by the Office for National Statistics for September 2017 (3.0%) and rounded to the nearest tenth of a penny. This is in line with the Council's policy in respect of inflation increases on fees and charges.

##### **4.3 Maintain allotment rents at the same rate as in 2018-19**

Holding rents at the same level as in 2018-19 would generate around £2,000 less income than increasing rents in line with inflation, and would therefore reduce the funds available to support the service.

##### **4.4 Recommended option**

In considering the options, it is acknowledged that there is a public interest in sustaining demand for allotment gardening because of the benefit such activity brings, including improving public health, involving local people in their communities and care of the environment within allotment sites. Therefore, it is recommended that rents be increased by 3.0% (in line with September 2017's CPI) as this will continue to generate income needed to sustain service delivery, without making renting a plot any less affordable.

#### **5. Consultation**

5.1 The Council is currently working with Rotherham and District Allotments Association on a review of the allotments service. This has included consultation with plot-holders on both directly-managed and society sites during September and October 2017.

5.2 Plot-holders were asked which of the options listed above they would choose. Of 270 people who responded, 51.5% supported a rise in line with the current CPI, 26.3% preferred a fall in real terms, 9.3% wanted rents to rise in real terms, and 13% said they did not know.

#### **6. Timetable and Accountability for Implementing this Decision**

6.1 Proposed allotment rents would apply for one year from 1<sup>st</sup> April 2019.

6.2 Managers within Leisure and Green Spaces will be responsible for the implementation of the recommended rent increases.

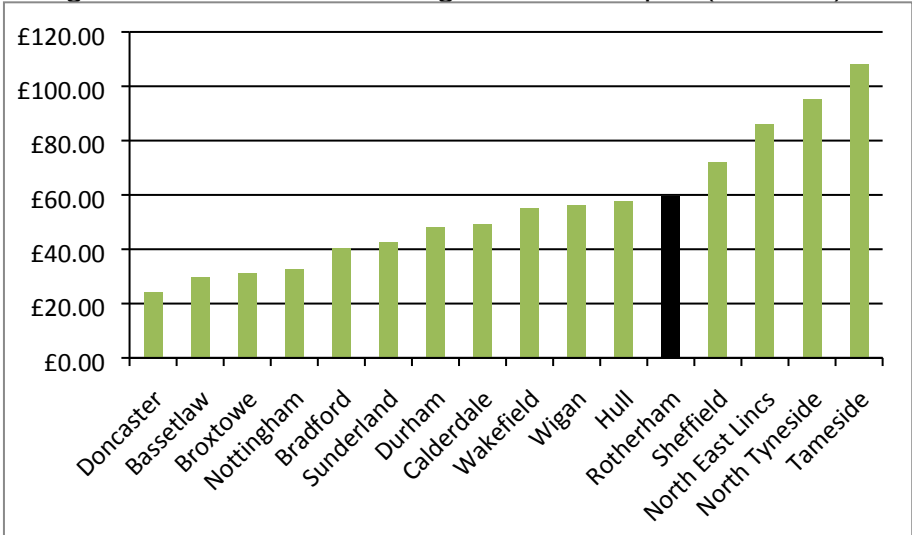
**7. Financial and Procurement Implications**

- 7.1 Income from rents will continue to support service delivery. Based on expenditure in the current financial year, it is anticipated that the overall cost of this Service will be approximately £78,000 in 2019-20.
- 7.2 Assuming that demand for allotments continues at current levels, then the recommended option of a 3.0% increase in rents is expected to generate sufficient income to fund the cost of the Service. For information the increase in 2018/19 will be 2.2%, as agreed at the Cabinet and Commissioners’ Decision Making Meeting of the 13<sup>th</sup> February 2017.
- 7.3 The Council’s Budget Strategy assumes that fees and charges will be increased in April each year in line with the CPI reported six months earlier (September of the previous year) unless there is a specific decision to apply a different approach. As allotment legislation requires that tenants be given at least 12 months’ notice of increased rents, it is not possible to apply the normal method for calculating increases in this case and this has been taken into account in the budget proposals.
- 7.4 There are no procurement implications arising from this report.

**8. Legal Implications**

- 8.1 Section 10 of the Allotments Act 1950 states “Land let by a council under the Allotments Acts 1908 to 1931, for use as an allotment shall be let at such rent as a tenant may reasonably be expected to pay for the land if let for such use on the terms (other than terms as to rent) on which it is in fact let.”
- 8.2 A previous Fees and Charges report taken to the Cabinet Member for Culture and Tourism on 12<sup>th</sup> January 2015 referred to a recent court ruling that the most usual way of determining what a tenant might expect to pay would be to look at rents charged by other Councils. Figure 1 shows how 2017-18 allotment rents in Rotherham compare with those in a range of other local authorities for which data is available.

Figure 1. Annual Rent Charged for 250m<sup>2</sup> plot (2017-18)



This shows that current rents in Rotherham are within the range of rents charged in comparator authorities. Whilst similar comparative data is not available for future years, the recommended rent for 2019-20 would still be within the 2017-18 range, at £62.50 for a 250 m<sup>2</sup> plot. This is £1.75 more than the rent for a similar plot in 2018-19.

- 8.3 The Council is required by law to give tenants a minimum of 12 months' advance notice of rent increases.

## 9. Human Resources Implications

- 9.1 There are no HR implications arising from this report.

## 10. Implications for Children and Young People and Vulnerable Adults

- 10.1 There are no implications for Children, Young People and Vulnerable Adults arising from this report.

## 11. Equalities and Human Rights Implications

- 11.1 There are no Equalities and Human Rights implications arising from this report.

## 12. Implications for Partners and Other Directorates

- 12.1 None Identified

## 13. Risks and Mitigation

- 13.1 Given the length of time before the new rents are due to come into force, it is possible that there will be significant changes in levels of demand for allotments, and in the cost of delivering the service. Consequently, there is a risk that actual income might fall short of, or exceed, the service cost. If this happened, then any mitigation would need to involve controlling service costs or identifying alternative sources of income.

## 14. Accountable Officer(s)

Damien Wilson, Strategic Director, Regeneration and Environment

Approvals obtained on behalf of:-

	<b>Named Officer</b>	<b>Date</b>
Strategic Director of Finance & Customer Services	Judith Badger	01.02.2018
Assistant Director of Legal Services	Dermot Pearson	31.01.2018
Head of Procurement (if appropriate)	Karen Middlebrook	30.11.2018
Head of Human Resources (if appropriate)	John Crutchley	30.11.2018

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