

## **BLYTH TOWN COUNCIL**

### **ALLOTMENTS COMMITTEE**

**Tuesday 2 February 2016**

### **RENT INCREASES PROPOSALS**

#### **RECOMMENDATION**

1. The Committee is asked to agree that this report is the basis of consultation.
2. The Committee may wish to indicate an inclination for one or more options.

#### **BACKGROUND**

Blyth Town Council currently has 514 allotment plots on ten sites in various locations around Blyth. Since the Council came into being in 2009/2010, following local government re-structure, allotments have been part of the assets they have to manage.

In the following years there have been substantial amounts of money spent year on year since taking over the management of allotments. The Town Council have only, prior to this report, increased the rent once since 2010 although tenants have been notified that an increase of £10.00 is included to take the annual rent collected by the Council up to £60.00 in April of 2016.

That increase will generate an overall rent income of £21,040.67 (Appendix 1 2016/17 Allotment Rents). The rents for 2015/16 generated the sum of £17,120.20 collected up to 13/11/2015 (Appendix 2), however, within the Council's budget allowances were made for maintenance. Please see Appendix 3 which shows to date what has been spent on the individual sites - the running total is £1,984.40. Another contributing factor which cannot be ignored is for the water charges to-date which amount to £8249.08. This figure is based on three bills received and there is the final bill which will be received in January (Appendix 4). This is for all sites but doesn't include the additional gardens at Beatrice Avenue.

The budget set for 2015/16 (Appendix 5) shows the total figure and the running total remaining in the budget however one must remember that a substantial amount was used to bring the new allotments at Beatrice on

line and also the additional gardens from one plot at Wensleydale allotments and the additional palisade fencing to replace the boundary fencing that was blown over in exceptionally high winds after the clearance work had been completed and was not included in the original quotes for the work carried out.

However, it has been indicated that the level to which the allotments have been subsidised cannot continue and Councillors have in the proposed 2016/17 budget (Appendix 6) been minded to reduce the amount set aside for allotments by two thirds to a figure of £25,000.00 for emergency maintenance, as the allotments should become self-financing. This, therefore, must be achieved through a number of options which will never be easy or greatly appreciated also the additional burden that it will place on those that it will impact mostly on. These proposals are for consideration.

1. The way Council has administered the setting of the rents has been based on the charges applied by the former Blyth Valley Borough Council which was as follows.

A plot measuring below 300 sq metres currently pays £50.00

A plot measuring over 300 sq metres currently pays £60.00

Under this rent setting system there was no provision set for half plots although currently 32 plots on the Bolam site are paying £25.00 annual rent. These plots are the same size as the new plots at Beatrice and they are currently paying the full rent of £50.00. If this was approved and the rent for the 32 plots on the Bolam site be brought to the same rent as applied to other plots this would add a further £800 on to the final rent income per year.

2. Two Council-run sites currently have the lowest rents, both sites only have 4 plots on each and part of the low rent was due to there being no water supply. In 2013/14 the Town Council at a combined cost of £7,222.48 had water supplies installed but the rents for these plots remained at the same amounts. The rents for these plots do have the agreed rent increase in 2016/17 but I would ask Allotment Committee members to give serious consideration to the rents of these plots being increased in April 2017 to the level of rent being collected from the plot holders of the other 8 sites.
3. The Town Council gives a discount or concession for special circumstances, which there is reference to in the Allotments Acts

1908/1950, to those it thinks should receive such but this is not a legal statute. Committee members are asked to consider reducing the discount, over a period of years, by 5% on a yearly basis until it is discontinued and thus all allotments would pay the same amount.

Although the amount that is currently discounted against the rent is 25% and amounts to £12.50 to those who receive the discount, if the discount was reduced on an annual basis it would generate through reduction the sum of £405.00 annually which over a 5 year period would result in an income increase of £2,025.00. At this time some plot holders also have two plots on which they receive the full discount however other Parish/Town Councils are removing the discount when a tenant has more than one plot or if the tenant so wishes he could give up one plot and it can be re-let to the next applicant on the waiting list.

4. The Town Council as a Landlord must always be mindful of current legislation within the Allotments Act 1908/1950 sec 10.

*Land let by a Council under the Allotments Act 1908 to 1931 for use as an allotment shall be let at such rent as a tenant may be reasonably be expected to pay for the land.*

Council could consider increasing the rent to a figure they think reasonable in one increase - this would be the easier administration option. It does however have its drawbacks as consideration would have to be given to the way the rents are collected. At this time payments are received either in cash or by cheque. It has been asked of staff if payments could be made by direct debit or by a card payment but at this time the facilities are not available to complete payments in either way. If payments are going to be increased by a large amount the Council will have to give serious consideration to accepting payments by either direct debit or payment by card which is the norm in the 21<sup>st</sup> Century and systems would have to be installed for payments to be accepted in this way. Also a large one-off increase may place too much of a financial burden on allotment holders themselves who may hand the plots back and there is a possibility that the Town Council could find themselves with empty plots and no-one wishing to take them on because of the cost factor .

The Committee could consider a rent increase of £10.00 or £20.00 and then have a separate water charge; the water charge will have to be based on the previous bills for each site. This could mean the bill for

the water will go up and down year on year depending on the usage. The only negative to this proposal is it could put a greater burden on to the smaller sites as the water charges are shared by smaller group as opposed to being collected at present within the rents.

Examples of Rent and Water Charge:

Tenant on Beatrice Allotments

Rent 2016 = £60.00 Water Charge 2015 = £17.57 Total: £77.57

Tenant on Bebside Allotments

Rent 2016 = £60.00 Water Charge 2015 = £40.25 Total: £100.25

Tenant on Bolam Allotments

Rent 2016 = £60.00 Water Charge 2015 = £12.65 Total: £72.65

5. The next option would be to increase the rent by the sum of £10.00 beginning in April 2017 and continuing to rise by the sum of £10.00 in April of each year until 2021 when the rents for each plot would be £100.00 less discounts. If, however, the discount was also phased out over the same period as put forward for consideration, this would increase the rent collected annually by in excess of £3,000.00 which would give a rent collected figure for 2021 in excess of £34,000.00. If this option was the preferred choice the Committee would need to review the rents in 2020 to ascertain if there is a need for any further increase in the following years.

**Dave Clough**  
**Allotment Officer**

**24 November 2015**

Appendices

- Appendix 1 Projected Allotment Rents 2016/17
- Appendix 2 Allotment Rents by Site 2015/16
- Appendix 3 Ongoing Maintenance Costs by Site 2015/16
- Appendix 4 Water Charges by Site 2015/16
- Appendix 5 Budget Sheet 2015/16
- Appendix 6 Proposed Budget 2016/17
- Appendix 7 Projected Allotment Rent Income and Expenditure 2015/16 – 2020/21
- Appendix 8 Rents with Water Charge 2017/18 - 2020/21