

# **Consultation of rent increases and changes to fees, charges and tenancy conditions on Nottingham City Council's Direct-Let and Leasehold (Association) Allotment Gardens**

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## **Introduction**

The Allotments Service has investigated how an increase in allotment garden rents, charges and tenants' responsibilities can help support the development and investment in allotment provision across Nottingham City.

## **Current Situation**

During November and December 2017, the council's Allotments Service consulted direct-let tenants on proposals to increase the rent rate; make changes to fees and charges; and change conditions of direct-let allotment tenancies, as laid out in this document.

Following the end of the consultation period and assessing the responses from the direct-let tenants, the council decided to:

1. Increase the length of the *direct-let tenant* consultation until 31 January 2018 (this has now been completed).
2. Increase the direct-let rent rate for 2018 to 22p/m<sup>2</sup>.
3. Consult with the leasehold allotment associations/bodies and gardener organisations over the proposals.
4. Consult with the general public over the proposals.

## **Background**

The Allotments Service manages both directly-let allotment tenancies and supervises the leases of other Council-owned allotment sites. There are approximately 2800 Council-owned allotment plots across the city, covering 1.9% of the land area of Nottingham City or just under 10% of the accessible open and green space in the city. The Allotments Service directly manages approximately 800 plots largely situated on the smaller allotment sites. The remaining approximate 2000 plots are leased to and managed by 19 independent associations or allotment bodies.

## **Consultation for Leasehold sites**

### **Leasehold Rent**

The lease rent (charged to associations by the council for the use of leasehold sites) is calculated on the area of occupied allotment plots, multiplied by the site's current rent rate. The site's rent rate is set at a rent review and are set to match the current direct-let rent rate. The timing of a site's rent review is set within the lease and is generally undertaken at five year intervals from the commencement date of the lease.

An allowance from a site's annual leasehold rent is made for any tenants that claim an allowable concession (discount) for older age, low-income or disability.

Once the rent has been calculated, Leasehold associations benefit from a rebate for the good management of the site in the previous year. Good management is determined from an annual site inspection undertaken by allotment officers. The rebate is set at 75% of the lease rent and this is returned to the association for the maintenance, management and

administration of the site. Under lease conditions, the rebate must be spent on the maintenance, management and administration. **The rebate cannot be used to subsidise the rents of allotment gardeners.** If this were to occur it would constitute a breach of the lease.

The Allotments Service has been slowly evolving a new “model lease” that will eventually replace the current allotment association sites leases. The new model lease gives extra conditions to allotment associations that includes offering higher quality allotment provision; holding an acceptable, fair and time ordered waiting list for allotments applicants; and adopting and working to an acceptable internal complaints procedure. The council is supportive of any association who adopts fair and equitable policies and procedures.

#### *Proposal to break the link between direct-let rent rate and leasehold rent rates*

To encourage Allotment Associations to enter into a new model lease, the Allotments Service proposes, that the rent rate for these leasehold allotment sites is agreed between the Council and allotment site leaseholders on a site-by-site basis and will take into account the quality of the site management and allotment provision.

We hope that well managed, good quality sites, can be rewarded by lower leasehold rent rates that can be passed on the allotment tenants.

### **Consultation for Direct let sites**

#### **Allotment Rent Rate for Direct-Let Sites**

The current allotment rent rate is 14p/m<sup>2</sup> and has increased in increments from 7.2p/m<sup>2</sup> in 2011. Allotment rent rates country-wide have been traditionally very low and this is often reflected in the quality of allotment sites and the service provided to allotment tenants. The Council’s Allotments Service has been increasing the quality of the allotment provision and has recorded a small increase in the quality since the first quality audit undertaken in 2012.

**To allow the further improvement and development of the allotment provision the Council is consulting on raising the allotment rent rates over a number of years, for the Council’s direct-let allotment gardens. Rent increases will allow further investment in Nottingham’s allotment provision.**

The Allotments Service has calculated a rent rate that, if charged, would allow the full-funding by rental income, of the administration of the council’s Allotments Service and the management and basic maintenance of the direct-let sites. These calculations take into account the income from direct-let sites and leasehold sites. **This ‘full-funding rate’ is currently calculated at 56p/m<sup>2</sup>.** This full-funding rent rate is comparable to some other authority’s current rent rates.

#### *Proposal to increase direct-let rent rate*

To allow further improvement of the allotment provision in Nottingham the direct-let rent rate is increased to the full-funding rate of 56p/m<sup>2</sup> in equal steps over 5 years. This equates to an increase of 8.4p/m<sup>2</sup> each year until 2022.

Following changes to the charging for water on Direct-Let sites in 2014, direct-let allotment tenants who are supplied with water, are charged a rate for water that covers costs of water and the supply network. No changes are proposed for the charging of direct-let water.

To offset the increases in rents for citizens who are entitled to eligible low-income benefits or eligible disability benefits, **direct-let allotment tenants** can apply for a rent concession (discount) of 50%. Tenants over the age of 65 can apply for a rent concession (discount) of 25% (please see note below regarding rent concessions for leasehold tenants).

The 50% concession will also be offered to tenants of leasehold sites who enter into the new model lease.

### **Small Plot Rents**

The Allotments Service manages many small direct-let allotment plots with areas less than 125m<sup>2</sup>. The administration of these tenancies and the resources needed for annual invoicing of rents, often outweigh the small rental income on these plots.

#### *Proposal to create a minimum plot charge for direct-let allotments*

We propose that a minimum plot rent equivalent to 125m<sup>2</sup> is charged for these plots. For 2017-2018 this would have meant a minimum plot rent of £17.50.

This Small Plot Rent will not affect the charging of leasehold rents.

### **Charges and Fees**

Much Allotment Officer time is spent managing breaches of direct-let allotment tenancies. It is not unusual for some tenants to abandon their allotments in a poor condition, needing council officer time to chase the tenant to rectify these breaches and often leading to organising repairs and invoicing the tenant concerned.

#### *Proposal to increase direct-let tenancy charges*

To encourage allotment tenants to surrender their plots in the proper legal manner, the Council proposes that we levy a £50 charge if we need to issue a Tenancy Termination Notice. In addition, we propose the 'second and subsequent Breach Notice' charge is increased from £10 to £20.

In this way, we hope that tenants will either, surrender their tenancy in when they no longer need the allotment plot, or they will rectify any breaches in a timely fashion.

### **Hedge cutting**

On some direct-let sites the costs of cutting hedges are high due to only having pedestrian access for the Council's operatives. We are considering the transfer of responsibility for cutting the **outside** of plot hedges to individual allotment tenants. We realise that in some instances, this responsibility could be overly onerous. The Allotments Service will be assessing the impact to tenants of this transfer of responsibility over 2018.

### **Summary of Current Proposals**

1. The rent rate is increased over five years to a rate of 56p/m<sup>2</sup>. This equates to a year-on-year increase of 8.4p/m<sup>2</sup> each year until 2022.
2. For leasehold sites within a **new lease** structure, rent rates and the reviewing mechanism will be set by agreement between the Council and the site leaseholder.
3. A minimum rent is introduced that will equal a plot size of 125m<sup>2</sup> (50% of the standard allotment size).
4. Fees and charges: An increase to £20 of the charge for the second and each subsequent Breach Notice; a new £50 charge for issuing a Termination Notice.

Please feel free to respond to these proposals by email at [allotment.office@nottinghamcity.gov.uk](mailto:allotment.office@nottinghamcity.gov.uk) or by letter at the address below or if these prove difficult please feel free to make contact with us by telephone on 0115 8763399.

A public consultation will be publicised for responses to these proposals directly from allotment gardeners and the general public.

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Parks and Open Spaces

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