

Allotment Fees and Charges Review: 15/01/24

Background:

As outlined in the Council's Corporate plan, Government funding cuts mean the authority must reduce budgets by £6.6m by 2026. To achieve this, subsidised services must look to become cost neutral. An increase in fees and charges is a last resort to achieve a cost-neutral service. To ensure a reasonable and proportionate approach the service carried out investigations with a view to reducing costs or enhancing income in other ways, however investigations were unable to identify alternative options, whilst retaining leaseholder value.

Summary of investigations:

Options considered to reduce the cost of delivering the service:

- 1) Allotment self-management was considered. This would see all income and all costs associated with the delivery of the service transferred to the allotment themselves where governance arrangements could be implemented. Although an option considered, self-management would not result in any sustainable savings for ECC because it would create significant income deficits. To reduce that income deficit, all 24 allotments would need to agree to self-management and implement governance structures to support the management of sites. This was not considered feasible within the time constraints or given the lack of interest to date on behalf of allotments.
- 2) A reduction in the services provided on site was also considered as this would reduce allotment running costs and decrease fees increases. Ceasing the provision of services such as water, waste disposal, and toilet provision, would have supported a low level of savings. However, the impact to allotment holders was considered too high to make this a feasible option.

Options considered to increase income alternative to fees increases:

- 3) Currently there remains a considerable waiting list with demand outpacing the availability of allotment plots. By extending the number of plots available the Council could increase income, protecting subsidies without impact to current fees and charges. Unfortunately, investigations indicated that there was no suitable land within ECC existing ownership that could be safely turned into allotment space. As a result, the council would need to purchase land at a commercial price. Current borrowing rates and land cost are not offset by allotment income potential, meaning there is no business case to support land purchase as a route to a cost-neutral service.

- 4) An alternative to land purchase would be to increase the rate at which the council can fill vacant plots. To achieve this the process of clearing and let and check would need to be improved. A cost/ benefit analysis was carried out, increasing the rate of turn over would provide less than £5000 per annum in additional income, but would cost more to deliver because of the increase in resources required to manage it. As a result, it is not a cost-effective option at this stage.

Investigations to date have not identified any suitable and sustainable alternatives to fees increase at this stage and we welcome alternative ideas that have not been considered.

Rent review:

To assess whether fees increase was proportionate nationally, a market review was carried out. This looked at 300 authorities nationally. Notably 28% of authorities are increasing allotment fees over the next five years, and an additional 35% are reviewing allotment costs. 22% have increased above inflation to reduce or end subsidies and achieve cost neutrality.

In regard to direct fees comparison, of the 300 authorities, 45.65% charge over £70 a year for a 10-rod allotment. The market research indicates that fees nationally vary from as low as £17 per annum up to £382 per annum for 10 rods.

Having reviewed 27 different Southwest authorities, there are a broad range of lease fees operated throughout Devon. Current Council proposed increases mean the authority will remain within a comparable price range for Devon district allotments.

Consultation details:

Having ruled out the possibility of increasing income through empty plots or additional sites and identifying that service reductions offer no substantial savings but have an adverse effect on allotment holders, a rent increase is considered the most feasible option to support a cost-neutral service. However, we want to hear tenants' views and welcome your comments.

The allotment service will be welcoming comments from the 26/01/24 until the 16/02/24. If you have comments or concerns, you can contact the service on:

allotments@exeter.gov.uk.

The results of the consultation will be discussed at the next allotment forum, the date of which is to be confirmed.