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Report of: Executive Director, Place
Report to: Cabinet Member for Culture, Parks and Leisure
Date of Decision: 22 January 2019
Subject: Allotment Rent increase for 2020/2021 and changes to discount structure for allotment rents

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Culture, Parks and Leisure		
Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? 489		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:

To seek approval for an increase in allotment rent and water charges for 2020/2021, in line with inflation (2.6%, which was the current rate at the time of the July 2018 consultation with the Allotment Advisory Group) and changes to the discounts available on allotment rents.

Recommendations:

It is recommended that:

- (a) the rent for allotments in 2020/2021 is increased in line with inflation, i.e. 2.6%
- (b) the amendments to the allotment discount structure described in this report are agreed and the revised discount structure set out in paragraph 1.3.4 is approved with effect from 1st April 2019.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Minutes of Allotment Advisory Group 05.12.2017, 31.07.2018 and 09.10.2018

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Janine Scarborough
		Legal: Andrea Simpson
		Equalities: Annemarie Johnson
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	Laraine Manley
3	Cabinet Member consulted:	Councillor Mary Lea
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Ceri Ashton	Job Title: Allotments Manager and Acting Lead for Ecology
	Date: 09.01.2019	

1. PROPOSAL

1.1 INTRODUCTION

Sheffield City Council fulfils its statutory allotment duty through the provision of over 3100 allotment plots across the City. Allotment rents and charges are reviewed annually and in line with the respective tenancy agreements. A decision has already been taken for an increase based on inflation (2.7% when the decision was taken) which will come into effect in April 2019. Rents were previously increased by 1.8%, in line with inflation, from 1st April 2018.

1.1.2 Prior to that, an increase took effect from 1st April 2014, when rents were increased by 60%. At that time full Council agreed, when approving the annual budget report, that rents would then be fixed for two years (until April 2017). The effects of that increase were mitigated by a revised discount structure, which was approved by the Cabinet Member for Environment, Recycling and Streetscene in April 2014. This discount structure will remain in place, though this report proposes some minor changes.

1.2 RENTS

1.2.1. Tenants must be given twelve months' notice of any increase.

1.2.2 The allotments service is essentially self-financing. The rent and water charges collected fund the service. A rent increase in April 2020 would be beneficial to the service and it is now proposed to increase rents in line with inflation (2.6%), rounded to the nearest £0.50 for simplicity. This proposal does not generate a saving to the Council, but it protects the current level of service, enabling the Council to continue to provide decent allotment sites for people to grow their own food.

Current charges:

Plot Size	(A) Rent	(B) Water	(A+B) Total
Up to 100m ²	£26	£14	£40
101m to 200m ²	£53	£29	£82
201-300m ²	£73	£41	£114
>301m ²	£114	£49	£163

Charges for 2019/2020:

Plot Size	(A) Rent	(B) Water	(A+B) Total
Up to 100m ²	£27	£14	£41
101m to 200m ²	£54	£30	£84

201-300m²	£77	£40	£117
>301m²	£117	£50	£167

Proposed charges for 2020/2021:

Plot Size	(A) Rent	(B) Water	(A+B) Total
Up to 100m²	£27.50	£14.50	£42
101m to 200m²	£55.50	£30.50	£86
201-300m²	£79	£41	£121
>301m²	£120	£51	£171

1.3 DISCOUNT STRUCTURE

In April 2014 the Cabinet Member for Environment, Recycling and Streetscene approved a new Discount Structure for Sheffield City Council Allotments in order to ensure that allotment plots remain affordable for those on low incomes. Since then a 75% discount has been offered to those with low incomes, and a 25% discount for those that are 60 years or older and who do not qualify for the 75% discount.

1.3.1 The 75% discount is available to tenants meeting certain criteria based on welfare benefits or disabilities. Some tenants are in receipt of Carer's Allowance and living on a low income, but do not meet any of the other criteria for claiming a discount. It is therefore proposed that Carer's Allowance is introduced as one of the criteria for claiming the 75% discount.

1.3.2 Currently students can claim a 75% discount, provided that they are full time AND have a full student loan entitlement. This has proved problematic. It can be onerous for both customers and officers to establish whether a student does have a full student loan entitlement, since the full amount available can change from year to year, and the amount a student is awarded can be affected by grants or bursaries, which may or may not be means tested. Also funding arrangements for international students vary. Students completing a Masters degree can be awarded a full loan but this is not means tested, so it is debatable whether the receipt of this loan is an appropriate measure of eligibility for a discount.

It is proposed that all full time students should be eligible for a 25% discount, with effect from 1st April 2019. This includes those at colleges (aged 18+; only those aged 18+ can have tenancy of an allotment), University, and completing a Masters or PhD, regardless of their funding arrangements, making the system simpler for customers and officers to distinguish their eligibility. The 25% discount will apply to all students including those who have previously been eligible for a 75%

discount. The discount would be lower but would be available to a wider range of students.

- 1.3.3 Until April 2014, the criterion for claiming the senior citizen discount was that the person was of state pension age. However this was deemed to be unfair because the state pension age was different for men and women, so a discount for everyone aged 60+ was introduced. Since then, increases in the state pension age for women have removed this inequality and subsequent increases for both men and women mean that the age limit should be reviewed. The principle behind the discount structure is to make allotments more affordable for those who may struggle to pay for them. Many people aged 60+ are still in work and on a good income. Those aged 60+ who meet the criteria for the 75% discount can claim that discount. It does not seem logical to offer a discount to anyone else simply because they are aged 60+.

It is therefore proposed that the eligibility threshold for the 25% senior citizen discount for new claimants is state pension age. This would not affect those who have already been awarded a discount, who are aged 60+ but below state pension age. We would not remove the senior citizen discount from people who have already been awarded it.

- 1.3.4 The proposed Discount Structure taking into account the above amendments is as follows:

75% for those with low incomes. Categorized by; Universal Credit, Income support, Housing Benefit, Council Tax Benefit (Council Tax Support), Job Seeker's Allowance (Universal Credit), Working Tax Credit (which includes free NHS costs), Employment Support Allowance, Disability Living Allowance (PIP), Medical Exemption Certificate, Disabled Person's Bus Pass, Severe Disablement Allowance, Industrial Injuries Disablement Benefit, War Disablement Pension and Carer's Allowance.

The benefit system is undergoing significant change. As has happened in previous years, when a new benefit replaces one of the existing criteria the discount entitlement will still operate.

25% for

- those that are of state pension age and who do not qualify for the 75% discount
- full time students.

- 1.3.5 Receipt of Universal Credit has been one of the criteria for eligibility for the 75% discount since the Discount Structure was approved in 2014 but until recently Universal Credit claims in Sheffield have been relatively straightforward. The rollout of Universal Credit for all new benefit claimants commenced in Sheffield in November 2018 with migration of existing claimants expected to take place between 2020

and 2023. Universal Credit replaces a number of different benefits or tax credits, not all of which are currently included in the eligibility criteria, and it will be necessary to review the impact of Universal Credit on claims for the discount as it is rolled out. This may result in a further revision of the Discount Structure in the future.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The proposal supports the Corporate Plan priority of Thriving Neighbourhoods and Communities by improving access to leisure facilities and green and open spaces.

Allotments provide an opportunity to grow and consume food locally, this has a benefit in relation to reducing food miles and recycling through local composting.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 At the Allotment Advisory Group meeting on 05.12.2017, there was discussion around consulting with all tenants about any rent increase for 2020/2021 and beyond. When a decision was taken by the Cabinet Member for Culture, Parks and Leisure in January 2018 about the rent for 2019/2020, this decision included giving permission for a consultation with all tenants to be carried out.

The consultation was undertaken, via a questionnaire sent to all allotment tenants. The response rate to the questionnaire was 22%. 70% of those who responded indicated that they were in favour of small yearly increases in charges e.g. in line with inflation.

The consultation also covered some of the proposed changes to the discounts. Tenants were asked to indicate how large a discount should be awarded to different groups of people. The most common response for full time students was 25%. The University of Sheffield Students' Union were invited to comment on the proposal, but did not do so.

53% of those who completed the questionnaire indicated that they were in favour of defining senior citizens for the purpose of discounts as those of state pension age.

The proposal to include Carer's Allowance as a criterion for claiming a 75% discount arose from suggestions made in the questionnaire.

The outcomes of the questionnaire were presented at the Allotment Advisory Group meeting on 31st July 2018. Proposals for the rent increase for 2020/2021 and the changes for the discounts were presented at the Allotment Advisory Group meeting on the 9th of October 2018. Regarding the rent, it was commented at the meeting that the rent increase was too high, however it was also commented that we should respect the outcomes of the questionnaire, and that

there had been a good response rate. Regarding the changes to the discounts, very few comments were made. There were no significant objections, although a concern was raised around discounts being claimed fraudulently. The minutes of these meetings are attached.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 The decision to increase allotment rents would impact on all of our allotment holders (all aged 18+). The increase in rent would be comparatively small (between £0.13 and £4.00 per customer, depending on the size of plot, provision of water and entitlement to a discount). Discounts are already available to make allotments more affordable to those on a low income.

4.1.2 Overall there are no significant differential, positive or negative, impacts from the proposal to increase rents. The potential slight negative impact due to the rent increase is mitigated through the discounts that are available for those on low incomes.

4.1.3 The introduction of Carer's Allowance as a criterion for claiming a discount would have a positive impact for those people who would be able to claim a discount but couldn't previously.

4.1.4 The introduction of a new 25% discount for students would have a slight negative impact for students who previously claimed a 75% discount, but also a positive impact for full time students who do not have a full student loan entitlement, who were previously unable to claim a discount but would be able to under the new proposal.

Since it is proposed that the change in the criteria for claiming the senior citizen discount is for new applicants only, there would not be any negative impact on those already claiming the discount. New tenants/ applicants aged 60+ but not of state pension age will not be able to claim a discount until they reach state pension age. However if they are on a low income as defined by the discount structure, they can still claim the 75% discount.

4.2 Financial and Commercial Implications

4.2.1 It is proposed that Rents and Water charges will increase by 2.6%(in line with inflation) from 1 April 2020. The additional funds collected will be invested directly into the allotments service, and expenditure closely monitored to ensure that the same level of service delivery can be maintained in future years whilst remaining self-financing. This also helps reduce the risk of any claims against the Council resulting from lack of maintenance.

4.2.2 The proposal also introduces the following changes to the discount structure:

- Introduction of Carers Allowance as a criterion for claiming a discount
- Lower the student discount but make available to all
- Amend the threshold for claiming the senior citizen discount

4.2.3 Although exact data regarding how the numbers of people claiming concessions will change with the new criteria is not available, it is anticipated that any net financial impact will be minimal.

4.3 Legal Implications

4.3.1 The City Council has a statutory duty under the Small Holdings and Allotments Act 1908 to provide allotments if it believes there to be a demand for them. Setting of allotment rents is governed by section 10(1) of the Allotments Act 1950 which provides that land let for use as an allotment should be let at “such rent as a tenant may reasonably be expected to pay” for land let on the same terms for such use, provided that the Council may let allotments at a reduced rent if satisfied that there are special circumstances affecting the tenant which make a reduced rent appropriate.

4.3.2 In the 1981 case of *Harwood v Borough of Reigate and Banstead* the High Court, when considering the reasonableness of a proposed rent increase, held that the local council, and nobody else, was required to determine the rent that a notional (rather than a particular) tenant might reasonably be expected to pay and that in its determination it should:

- listen to representations made by or on behalf of its allotment tenants.
- take into account all relevant circumstances in a broad commonsense way
- give such weight as it thought fit to various factors in the situation
- come to a right and fair conclusion.

The Court gave guidance on the approach to be taken:

"... not to discriminate against this recreational activity as compared with other recreational activities. In other words, unless there are some very special circumstances relating to this particular recreational facility which, if it were some other recreational facility would require that a higher charge should be made for the use of that facility, then in the ordinary case if there is to be an increase in the rent charged then it should be in line with the increases that have been charged for the

use of the other recreational facilities. "

- 4.3.3 The rent levels described in this report comply with the statutory requirements and are in line with the High Court's guidance and the discount structure sets out the circumstances in which it is appropriate to charge a reduced rent. Allotment rents are not being set at a level that will make a profit but to maintain the same level of service.
- 4.3.4 Because allotments are let on yearly tenancies the Council must provide 12 months' notice to tenants of any changes to the allotment tenancy agreement or the amount of rent to be collected.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Rents could be left at the same level. However due to inflation this would effectively be akin to a reduction in budget. This was rejected because the current allotment budget is not felt to be larger than needed. A reduction would decrease the level of service and site improvements.
- 5.2 Rents could be increased by a larger amount, or pricing could be changed in some way other than a small percentage increase across the board. However based on the results of the consultation questionnaire in January 2018 and previous discussions at Allotment Advisory Group, an increase in line with inflation has emerged as the overall preferred option otherwise it would deter people from renting allotments.
- 5.3 Discounts could be left the same. However this would be detrimental to those in receipt of Carer's Allowance. Not changing the criteria for claiming the Senior Citizen discount would mean we would continue to award a discount to some people who do not need a discount to be able to pay. Not changing the student discounts would mean we would continue to use criteria which are cumbersome and unfair to some.
- 5.4 Other changes could be made to the discounts. However no suitable alternative changes have been identified at present, and the changes proposed are in line with recent confirmation by the tenant questionnaires.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The recommendation regarding the rents effectively enables us to maintain the status quo.
- 6.2 The recommendations regarding the discounts will enable more people who need the discount to claim it, but reduce the number of discounts awarded to people who are able to pay the rent.