**Paper 3 regular**

**Ide Parish Council**

**Annual licence fee for Garden Plots (allotments)**

**Paper for IPC meeting 13 May 2020**

1. Ide Parish Council leases land at Ide Primary School from Devon County Council (DCC) for use as allotment garden land for residents of Ide Parish.

2. The lease runs for six years and is renewable if both parties agree. The current lease expires on 23 October 2023.

3. Ide Parish Council pays Devon CC rent of £120 per annum for the land, payable annually in advance on 24 October, reviewed every three years. The rent will increase on 24 October 2020, to an amount yet to be agreed. I estimate that the increase is likely to be in the region of 9 %, to c. £130 - £135.

4. The legal costs for Ide Parish Council in instructing solicitors (Crosse & Crosse in this case), as we are obliged to do, to negotiate the new lease on our behalf were £760 plus VAT in 2017. I estimate that the legal costs next time around for the new lease in 2023 will be in the region of £850- £900.

4. The Council lets eight individual plots to gardeners under formal licences, renewable annually.

5. The current annual licence fee is £27 per plot per annum. This generates an annual income from the allotments of £216, which is **£1296** over a 6 year lease cycle. The principle that income from the allotments should balance the Council’s costs of running the allotments has been applied by past Ide Parish Councils in determining a fair licence fee (rent).

6. On the projections above, the estimated outgoings **over the next six years** are:

Rent to DCC under lease £135 x 6 =£810

Legal fees for lease renewal £900

**Total: £1710**

Less income: £1296

**Shortfall £414**

7. If no increase were made to the licence fee, this would result in a shortfall of £414 over the next six years; or £69 per year for the whole site.

Spread over the eight licence holders, if the allotments are to remain cost neutral over the next six years, there will need to be an increase in the individual licence fee of £8.62 per annum, from £27 to £35.62, to be reviewed in three years time to take account of any future changes in rent and legal fees.

8. All licensees have been consulted on the proposed increase in fee. No objections have been raised.

9. Resolution: That Ide Parish Council increases the Allotment licence fee by £8.62, to £35.62 per annum, with effect from 1 July 2020.

NCAB 6 May 2020