

Park Home Factsheet

Pitch Fees and other payments to the
Site Owner



Housing

This factsheet is one of a series of factsheets which have been published by Communities and Local Government concerning the rights and obligations of park home residents in England. This factsheet gives some basic guidance to park home residents who use their park home as their permanent residence about payments to site owners, including pitch fees and the review process under the Mobile Homes Act 1983 (as amended).

Throughout this factsheet any reference to “site” includes a park home site (including a mobile home site) and to “park home” includes a mobile home or caravan.

This factsheet does not give an authoritative interpretation of the law; only the courts can do that. Nor does it cover all cases. If further advice or information about legal rights or obligations is needed, a Citizen’s Advice Bureau or a solicitor should be contacted.



Introduction

Before a site owner can enter into an agreement with a person allowing that person to live in a home pitched on his site he must give the proposed occupant a written statement that sets out certain information, including the express and implied terms of the agreement. The agreement terms include the obligation on the part of the resident to pay a pitch fee to the site owner. Pitch fees are sometimes called 'rent' or 'ground rent' but this fact sheet uses the term 'pitch fee' throughout. The pitch fee is the amount required to be paid by the resident in return for being allowed to keep a park home on the pitch and use common areas of the site. The pitch fee does not include amounts due in respect of gas, electricity, water and sewerage and other services (e.g. the renting out of a garage) unless the agreement between the site owner and resident specifically states that these amounts are included in the pitch fee.

The obligation to pay the pitch fee (weekly, monthly etc.) is included in all agreements and further information about the agreements between site owners and home owners may be found in the ***Park Homes Factsheet - Residents Rights and Obligations***. The agreement must describe the procedures and rules that must be followed when the site owner wishes to review the pitch fee (either to increase or decrease it).

Payments for Utilities

The amount residents pay to the site owner for mains gas and electricity is regulated by Ofgem. The maximum price at which mains gas and electricity may be resold (by the site owner) is the same price they paid for it, including any standing charges. For more information please contact Consumer Direct at www.consumerdirect.gov.uk or phone 08454 04 05 06.

Anybody, including site owners, reselling water or sewerage services must charge no more than the amount they are charged by the water company, plus a reasonable administration charge. Further information is available from www.ofwat.gov.uk or phone 0121 625 1300.

The prices charged for the resale of LPG (liquefied petroleum gas) are not regulated.



Pitch Fees – the Review Process

When can a pitch fee be changed?

The process of changing the pitch fee is called the 'pitch fee review'. A resident's pitch fee can only be reviewed at most once a year. A site owner cannot make any other changes to the pitch fee during the year for which it has been set.

The agreement and written statement will usually state the pitch fee review date. This is the date from which any new pitch fee will be payable. If no date is specified, the pitch fee review date will be each anniversary of the date the agreement commenced.

If a site owner wants an increase in the pitch fee to take effect on the review date then they must serve the resident with a notice in writing at least 28 days before the review date, setting out their proposals in respect of the pitch fee. If they serve the notice at any time after this, then any increase in the pitch fee, whether agreed between the resident and the site owner or fixed by court order, will only be payable 28 days after the date on which they served the notice.

A *demand* for a new pitch fee is not considered to be a pitch fee review notice. If a site owner wishes to change a resident's pitch fee they must follow the prescribed procedure and serve a pitch fee review notice. They cannot impose a new pitch fee without the resident's agreement (or a court's ruling) and the resident will not be in arrears if they continue to pay their existing pitch fee.

How much should the pitch fee be?

The general rule is that the pitch fee will only be changed by a percentage equivalent to any change (whether an increase or decrease) in Retail Price Index (RPI) since the last review date. Details of the current rate of RPI can be obtained from the Office of National Statistics, www.statistics.gov.uk or by calling 0845 601 3034.

However in reviewing the pitch fee the following matters may have a bearing:

- Any money spent on improvements to the site by the site owner since the last review date which are of benefit to the residents of the site and which the site owner has consulted upon and to which the majority of residents haven't disagreed in writing.
- Any decrease in amenity of the site since the last review date.

- Any effect of any law that has come into force since the last review date. The effect of such law must be directly relevant to the actual costs of the management or maintenance of the particular site.

Is a resident entitled to see documentation that explains the proposed pitch fee?

Yes. A resident is entitled to request and receive (free of charge) documentation in support, or explanation, of any proposed pitch fee so that they can decide whether the proposed increase or decrease to the pitch fee is reasonable.

What should a resident do if they agree with the proposed new pitch fee?

A resident should notify their site owner, or simply pay the new pitch fee, and the new pitch fee will apply from either the review date or 28 days after the date the site owner served the resident with the pitch fee review notice, which ever is the later.

What should a resident do if they disagree with the proposed new pitch fee?

If a resident does not agree with the new pitch fee the site owner cannot impose it upon them. The resident should continue to pay their existing pitch fee.

It is recommended that a resident should notify their site owner that they do not agree with the proposed pitch fee increase, and also explain why, although there is no legal requirement for them to do so. We consider that negotiation is normally the best way to settle pitch fee reviews. However, this may not always be possible.

What happens if a new pitch fee cannot be agreed?

If a new pitch fee cannot be agreed, the site owner cannot impose it. The site owner will need to decide whether they wish to accept that position, continue negotiating or, if they believe the new pitch fee is justified, they will need to seek a ruling in the county court. In considering the new pitch fee a court would consider the rules set out above in "*How much should the pitch fee be?*" It is important to note that a resident is not "on trial" for not agreeing to pay the increase and in particular they are not in arrears for failing to agree as long as they continue to pay their existing pitch fee.

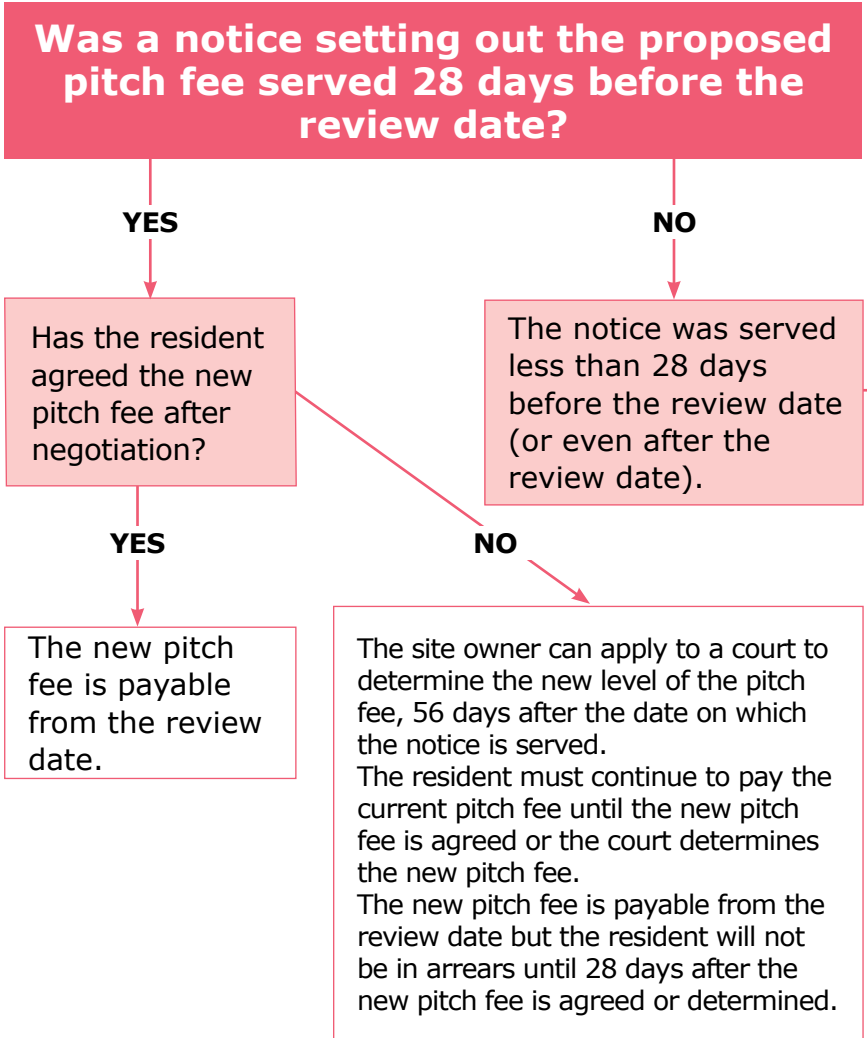
If a site owner does pursue a claim through the court and they lose they may well incur substantial costs.

That said a resident should, of course, act reasonably in relation to a proposed increase. It would be unlikely that there would be any justification for disputing a proposed increase which was limited to the RPI, unless the resident identified (and the court agreed) that there had been a decrease in the amenity of the site. A court may very well be unimpressed where a legitimate increase is opposed without good reason. Although a site owner's costs in going to court may not be passed on to residents, residents may incur their own legal costs in the process.

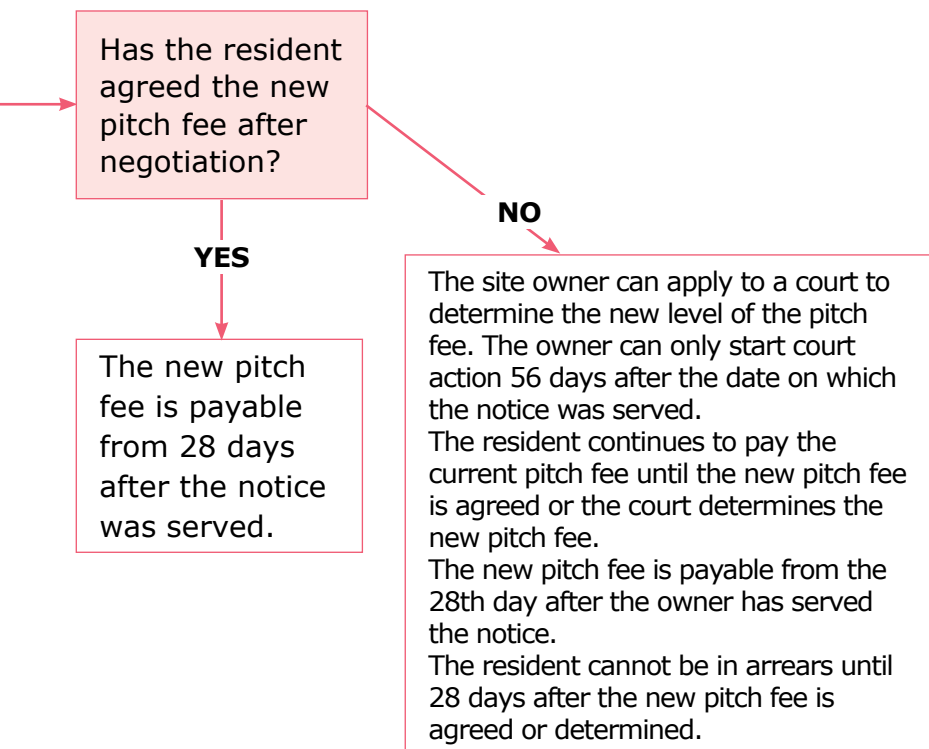
Until the court reaches a decision the maximum amount payable is the existing pitch fee. In such a case the court's decision normally takes effect from the review date. However, where the site owner serves notice later, then the new pitch fee ordered by the court becomes payable as from the 28th day after the day on which the owner serves the notice of proposed pitch fee.

A resident should be aware that a court will backdate an increase (if it allows one) to these dates and the resident would need to pay any back-payments due within 28 days from the date of the court order in order not to be in arrears.

Pitch Fee Review Flowchart



The pitch fee review should be negotiated by both parties to the agreement; the site owner and the resident. Until the new pitch fee has been agreed, the resident must continue to pay the current pitch fee.



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