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# Mobile Homes (Wales) Act 2013 – Information Sheet

## Pitch Fees (and other payments to the site owner)

October 2014





This information sheet is part of a series about the rights and obligations of mobile home owners and site owners in Wales.

It gives some basic information to mobile home owners about the Pitch Fee and other payments that may be made to a site owner under the Mobile Homes (Wales) Act 2013.

This information sheet 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, contact the Citizen's Advice Bureau or a solicitor.

## Introduction

Before a site owner can enter into an agreement allowing someone to live in a home pitched on a site, he must give them a written statement. The statement sets out information, including the terms of the agreement. The agreement terms includes an obligation for the mobile home owner to pay a pitch fee to the site owner.

Pitch fees are sometimes called 'rent' or 'ground rent' but this information sheet uses the term 'pitch fee' throughout. The pitch fee is the amount that must be paid by the mobile home owner in return for being allowed to keep a mobile home on the pitch. The obligation to pay the pitch fee (weekly, monthly etc.) is included in all agreements.

More information about the agreements between site owners and home owners can be found in the Mobile Homes (Wales) Act 2013 – Information Sheet **Written Statements and Implied Terms**. The agreement must state the procedures and rules which must be followed when the site owner wishes to change the pitch fee (either to increase or decrease it).

## Pitch Fees – The Review Process

### When can a pitch fee be changed?

New regulations setting out the process that must be followed when a review of the pitch fee review is carried out, were introduced on 1 October 2014. The process of changing the pitch fee is called the 'pitch fee review'. A mobile home owner's pitch fee can only be reviewed once a year.

A site owner can not 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 the anniversary of the date the agreement began. If a site owner wants to increase the pitch fee, they must serve a **pitch fee review notice form** to residents at least 28 days before the review date.

The pitch fee review notice form sets out the new charges they are suggesting. It helps residents understand the amount that they are being charged and makes sure site owners aren't able to add unfair charges onto the pitch fee. If a site owner wants to change the pitch fee, they must follow the correct procedure and serve a pitch fee review notice on the site residents.

Site owners aren't allowed to *demand* a new pitch fee and can't apply a new pitch fee without mobile home owner's agreement or a ruling from the Residential Property Tribunal.

If a mobile home owner doesn't agree with the proposed pitch fee, the site owner will have to apply to the Residential Property Tribunal to change it. Residents do not have to pay the increase to the pitch fee but must continue to pay the existing pitch fee until the Residential Property Tribunal decides upon the appropriate fee. They won't be in arrears if they carry on paying their existing pitch fee.

### How much should the pitch fee be?

The 2013 Act says that the pitch fee can only go up or down by a set percentage in line with the Consumer Price Index (CPI).

Details of the current rate of CPI are available from the Office of National Statistics at [www.ons.gov.uk](http://www.ons.gov.uk) .

However, in reviewing the pitch fee, the following may make a difference:

- Any money spent on improvements to the site by the site owner since the last review date which benefit the residents. The site owner must have consulted and agreed the improvements in advance with most of the residents. Any resident who disagrees should do so in writing, otherwise it will be assumed they have agreed.
- Any decrease in the amenities of the site since the last review date. Any reduction in the services that the owner supplies to the site and deterioration in the quality of those services.
- Any effect of any law that has come into force since the last review date.

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

Yes. When undertaking a pitch fee review the owner must serve all residents with a **pitch fee review form** free of charge.

The pitch fee review form sets out:

- the proposed new pitch fee
- when it is to take effect, and
- how the proposed new pitch fee has been calculated.

### What can be included in the pitch fee?

The pitch fee review form includes a full list of what can be included in the

pitch fee. These include the CPI adjustment, any costs of improvements to the site for the benefit and the agreement of the residents. Similarly any deterioration in the site or its amenities should be deducted from the proposed pitch fee.

#### What can and can't be included in the pitch fee?

The pitch fee review form includes a full list of what can't be included in the pitch fee. These include any fees paid by the site owner for a site licence application, any costs as a result of any enforcement action taken by the local authority and any costs incurred in connection with expanding the site.

#### 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 from the date it becomes effective. 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 date.

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

If a mobile home owner doesn't agree with the new pitch fee the site owner can't make them pay it. Failure to pay the new pitch fee will not result in the mobile home owner being in arrears but the mobile home owner must continue to pay their existing pitch fee. It is recommended that a mobile home owner lets the site owner know if they do not agree with the proposed pitch fee increase. It is also recommended that the mobile home owner explains why, although there is no legal requirement to do this.

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 can't make mobile home owners pay it. The site owner needs to decide whether they want to accept that position or continue negotiating. If they believe the new pitch fee is justified, they can appeal to the Residential Property Tribunal. A mobile home owner can also apply to the tribunal, although this is more unusual. When the tribunal decides the pitch fee, it becomes effective from the date set by the tribunal. This means that any proposed increase could be backdated several months. If a site owner does pursue a claim through the court and they lose they may well incur substantial costs. However, a mobile home owner should 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:

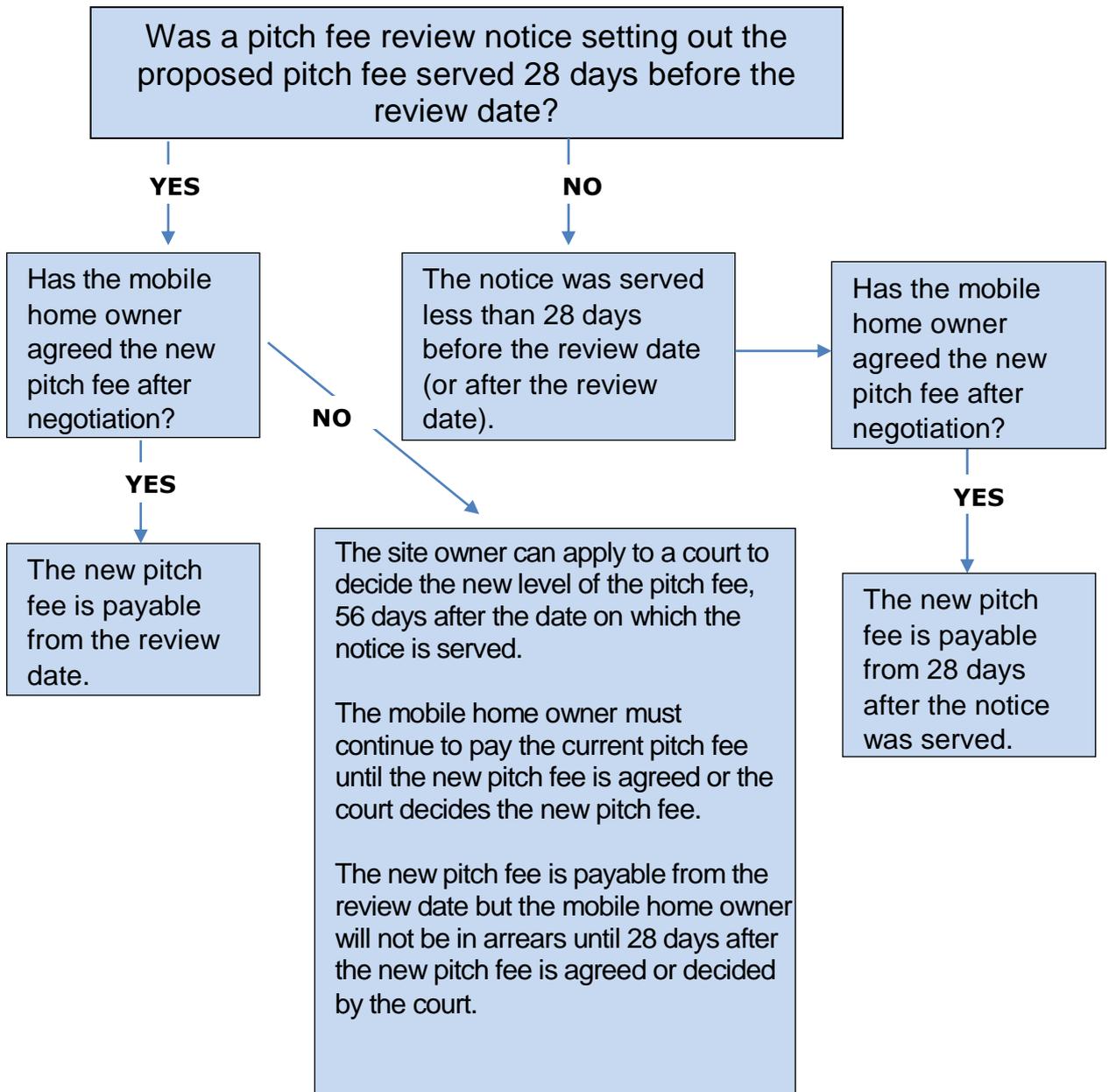
- limited to the CPI

unless the mobile home owner identified that there had been a decrease in the amenities of the site.

The tribunal may be unimpressed where a legitimate increase is opposed without good reason. If either the site owner or a mobile home owner acts unreasonably in connections with an appeal or that the appeal is vexatious, the tribunal may impose a costs order against them.

## Pitch Fee Review Flowchart

**The pitch fee review should be negotiated by both parties to the agreement; the site owner and the mobile home owner. The mobile home owner must continue to pay the current pitch fee until the new pitch fee has been agreed.**



## Other Payments

### Payments for Utilities

The pitch fee doesn't cover gas, electricity, water and sewerage or other services (e.g. renting a garage) unless the agreement specifically states these are included.

The 2013 Act requires all site owners to display copies of the most recent utility bills (gas, electricity, water and sewerage) in a prominent place on the site as a site licence condition. This is to make utility charges clearer for mobile home owners so that they can see how their individual bill has been calculated and to help stop any over-charging by site owners.

### Mains gas and electricity

The amount mobile home owners pay to the site owner for mains gas and electricity is regulated by Ofgem. The maximum price the site owner can charge for mains gas and electricity is the same price they paid for it, including any standing charges.

More information is available from [www.ofgem.gov.uk](http://www.ofgem.gov.uk)

### Water and sewerage services

Anybody, including site owners, reselling water or sewerage services can only charge the amount they are charged by the water company, plus a reasonable administration charge.

More information is available from [www.ofwat.gov.uk](http://www.ofwat.gov.uk)

### LPG (liquefied petroleum gas)

The prices charged for the resale of LPG (liquefied petroleum gas) aren't regulated.