



## **Department for Communities and Local Government – Fact sheet**

### **Understanding the Mobile Homes Act 1983 – Pitch fees and other payments to the site owner**

This fact sheet gives some basic information for people living in mobile home sites in England about pitch fees and other charges. Site owners may also find it interesting.

This fact sheet is not a full statement of the law and does not cover all cases. Only tribunals or the courts can give an interpretation of the law which applies. If you need more advice or information about your legal rights or responsibilities, you should contact a citizens advice bureau or a solicitor.

In this fact sheet any reference to 'site' includes a park home site, an authorised privately owned traveller site and a local-authority permanent traveller site. Where we refer to 'home', it includes a mobile home (including a park home) or a caravan.

This fact sheet does not apply to local-authority traveller 'transit sites'.

### **Introduction**

The site owner will charge you a fee for allowing you to keep your home on the pitch. This is called the pitch fee. Paying this fee will usually be a term of the agreement under which you can use the pitch. The owner can only change the amount they charge in line with the rules in the Mobile Homes Act 1983. Those rules must, by law, be included as 'implied' terms in that agreement. For more information, see the fact sheet 'Understanding the Mobile Homes Act 1983 – your rights and responsibilities'.

You must pay the pitch fee, which is sometimes called rent or ground rent, at the intervals shown in the agreement. This is normally every month for the month to come (in advance).

The pitch fee does not usually include payment for gas, electricity, water and sewerage or for renting other land (such as a carport) or outbuildings not on the pitch (such as a garage or shed). However, if the agreement says that these items are included in the pitch fee, the site owner cannot charge you separately for them.

The site owner cannot make separate charges for maintenance or repairs if they are responsible for these. And they cannot charge separately for any improvements to the site which have been, or are planning to be, made. See the section below on the pitch fee – the review process.

## **The initial pitch fee**

### **How will I know what I have to pay?**

- 1.1 This will depend on the pitch agreement.
- 1.2 If you have entered into an agreement directly with the site owner (for example, after buying a home from them), the initial pitch fee will be the amount you have agreed to pay and will be shown in the agreement. In general, you have to pay the pitch fee from the date you enter into the agreement, even if you do not move into the home or bring it onto the site until a later time.
- 1.3 28 days before you enter into an agreement, the site owner must give you a written statement which sets out the terms of you living on the pitch unless you have agreed to waive that period. If the site owner does not give you a written statement, they cannot demand the pitch fee until they have. You can find more information on written statements in *Understanding the Mobile Homes Act 1983 - Residents' Rights and Obligations*
- 1.4 If you are buying a second-hand home (in other words, from an existing resident) the rules are different. You will be taking over the agreement that currently applies to the pitch. This is known as 'an assignment'. In this case, the agreement is automatically transferred to you and you must keep to its terms, including paying the amount of pitch fee which is due.
- 1.5 However, it is likely that the agreement itself will not show the current pitch fee, as there may have been reviews since the agreement was originally entered into. This could have been many years earlier. So, it is important that you get details of the current pitch fee from the seller before you buy the home.
- 1.6 The fee that the current owner pays is the maximum pitch fee that can be charged when you move in. The site owner cannot ask you to pay any more when you first move in. They cannot make it a condition of approving the sale that you will have to pay a higher pitch fee.
- 1.7 For more information on buying and selling a park home, see the fact sheet *Understanding the Mobile Homes Act 1983 – Selling a mobile home*.

### **Can I challenge the initial pitch fee?**

- 2.1 This again depends on whether you have entered into a new agreement directly with the site owner or taken over an existing one.

- 2.2 If you have entered into a new agreement direct with the site owner and you decide that the pitch fee is no longer appropriate (for example if you become aware that it is not the same as for similar pitches on your site) you can apply to a residential property tribunal to change it. A site owner can also do this. The tribunal will then decide whether the pitch fee is appropriate and, if not, they will change the amount due in the agreement.
- 2.3 You only have six months to apply to the tribunal. This time limit is strict as a residential property tribunal cannot extend it. The six months run from either the date you entered into the agreement, or if you were not given the written statement until after that date, the date on which you got the statement.
- 2.4 If you have taken over an existing agreement, you cannot ask a residential property tribunal to review how reasonable the pitch fee is. However, if the pitch fee you are paying immediately after the transfer is not the same as the amount which the former resident was paying just before the transfer, you can apply to the tribunal for an order to sort the matter out and to get the site owner to repay the amount you have been overcharged.

## **Pitch fees – the review process**

- 3.1 **The site owner cannot demand or just charge a new pitch fee. They must follow the set procedure. You will need to agree to the new fee (or it must be set by a residential property tribunal).**
- 3.2 **If you receive a pitch fee review notice and you continue to pay the existing pitch fee, you will not be in arrears unless the new amount has been agreed or has been set by a tribunal. However, if you pay the new pitch fee (even if you have written objecting to it), then by paying it, you are seen as agreeing to it.**

### **When can the site owner change a pitch fee?**

- 4.1 The process of changing the pitch fee is called the 'pitch fee review. There can only normally be a review once a year. The agreement and written statement should give the pitch fee review date. If they do not give a date, the pitch fee review date is the anniversary of the date the agreement began. The first review, if you have taken over a pitch agreement, may be in less than a year.
- 4.2 If a site owner wants to increase the pitch fee to take effect on the review date, they must give you notice in writing at least 28 days before the review date, setting out the proposed change to the pitch fee.
- 4.3 If the site owner misses the review date (for any reason), they are entitled to serve the notice at any time after that date. If the site owner does this, you will only have to pay any change to the pitch fee, whether you have agreed this with the site owner or it is fixed by tribunal, 28 days after the date on which the notice is served. However, if the site owner serves the notice late, it will not change the date of the next review, which will still be 12 months after the previous (missed) review date.

## How much should the pitch fee be?

- 5.1 The site owner is entitled to take account of inflation when working out the pitch fee. So, the starting point in a pitch fee review is the percentage change (whether an increase or reduction) in the retail price index (RPI) since the last review date. You can find details of the current rate of RPI from the Office of National Statistics, [www.statistics.gov.uk](http://www.statistics.gov.uk), or by calling 0845 601 3034.
- 5.2 If there have been no other relevant changes since the last review date, the proposed new pitch fee may increase (or reduce) by no more than the change in RPI since the last review date. Unless there is a dispute about that calculation, you would normally have no reason for objecting to the proposal. The site owner has to use the RPI for this calculation. So, while you may consider that RPI is not the appropriate index to work out the fee, this alone is not a reason for refusing to agree to the new pitch fee.
- 5.3 However, in setting out proposals for the pitch fee, the site owner must take account of the following.
- Any authorised amounts spent on improvements to the site since the last review date.
  - Any reduction in people's ability to use the site since the last review date.
  - The effect of a relevant change in the law that has come into force since the last review date.
- 5.4 These matters may result in a proposed pitch fee that is higher or lower than the RPI change since the last review and we explain them in more detail below.

## Improvements

- 6.1 Repairs and maintenance which are normally the responsibility of the site owner are not seen as improvements and the site owner cannot charge any extra on the pitch fee to recover costs for that type of work. They can include amounts spent on making improvements in a proposed pitch fee (but not as a separate charge) if the amounts are authorised.
- 6.2 Amounts spent on improvements will only be authorised if:
- the amounts have been spent in the 12-month period since the last review date;
  - the improvements to which they relate will benefit the residents of the site;
  - those residents (and the qualifying residents' association, if there is one) have been consulted on the cost of the proposed improvements and:
    - most of the residents (one vote for each home) have not disagreed with the amounts being included in the pitch fee; or
    - if residents have disagreed with the amounts, the site owner has applied to a residential property tribunal which has agreed that the spending can be taken account of in assessing the new pitch fee.
- 6.3 If you disagree to the amount being included in the pitch fee, you must write to the site owner and say so. If not, the site owner can assume you agree to the proposal. If the site owner applies to the residential property tribunal for an

order that the spending can be taken account of in a pitch fee review, you can give your comments to the tribunal.

- 6.4 If there is a dispute about whether the amounts are authorised, or about the standard of the improvement work, a residential property tribunal will decide on these issues and to what extent (if any) the amounts can be added to the pitch fee.

### **Reduction in people's ability to use and benefit from the site**

- 7.1 When the site owner is setting the pitch fee, they must take account of whether people's ability to use the site or benefit from it has reduced since the last review date. This could include a worsening in the condition of the site (for example, due to less maintenance being carried out), withdrawing services or losing facilities.
- 7.2 However, you should remember that this type of reduction may not automatically result in a reduced pitch fee. This is because the site owner has to take account of all relevant matters affecting the pitch fee and other improvements, or an increase in RPI, may outweigh any reduction in use. If you cannot agree with the site owner, a residential property tribunal will decide how this should be reflected in the pitch fee (if at all).

### **Relevant changes in the law**

- 8.1 The site owner may also take account of any relevant change in the law since the last review which has either increased costs or reduced them. The change in the law includes any repeals, amendments or new enactments.
- 8.2 However, the change is only relevant if it directly affects the actual costs of managing or maintaining the particular site on which the review is being carried out and it took place during the 12 months since the last review date. It does not include changes to the law that do not directly relate to the site, such as those affecting tax, overheads or other business activities.
- 8.3 Certain laws are not covered by the general rule. In particular, this includes the law transferring the power to residential property tribunals. A site owner is not entitled to include any costs they have to pay as a result of this change, including costs for proceedings either before the tribunal or a court, in any pitch fee review.
- 8.4 If you and the site owner cannot agree about the costs, a residential property tribunal will decide how they should be included in the pitch fee (if at all).

### **Can I see any documents that explain the proposed pitch fee?**

- 9.1 Yes. You can ask to see the documents which support or explain any proposed pitch fee so that you can decide whether the proposed increase or reduction to the pitch fee is reasonable.

## **What do I need to do if I agree with the proposed new pitch fee?**

10.1 You should tell the site owner, or simply pay the new pitch fee, and the new pitch fee will apply from:

- the review date; or
- 28 days after the site owner gives you notice of the pitch fee review if they failed to give you notice initially.

## **What should I do if I do not agree with the proposed new pitch fee?**

11.1 If you do not agree with the new pitch fee, the site owner cannot change it. You should continue to pay the existing pitch fee.

11.2 You should let the site owner know that you do not agree with the proposed pitch fee, and also explain why. However, there is no legal obligation for you to do so, although negotiation is normally the best way to settle pitch fee reviews.

## **What happens if a new pitch fee cannot be agreed?**

12.1 It is not always possible to settle a pitch fee review by negotiation and sometimes you may not want to communicate with the site owner. Indeed, the site owner does not have to negotiate with you at all, but they cannot enforce the proposed change.

12.2 However, the site owner can apply to a residential property tribunal to ask for a 'determination' of the pitch fee.

## **Applying to a residential property tribunal**

13.1 The site owner does not have to pay a fee to apply to a residential property tribunal about a pitch fee review. And, unlike the courts, the tribunal will not make a costs order as a matter of routine. However, the tribunal can dismiss an application if they think it has been made unreasonably, is not justified or has been made just to cause problems or is in any other way an abuse of process. If an application is dismissed, the tribunal can make an order for the person to pay up to £5,000 of the other side's costs if the person has acted unreasonably in connection with the proceedings. Because of this, the site owner should think carefully about applying before they go to the tribunal.

13.2 You can find more information on how applications are dealt with by a residential property tribunal in the fact sheet 'Mobile Homes Act 1983 – disputes and proceedings', which also gives the contact details of the local tribunal offices. You can get an application form from the local office or download one from [www.justice.gov.uk](http://www.justice.gov.uk).

## **Is there a time limit to make an application?**

14.1 Yes.

- The site owner cannot apply earlier than the 29<sup>th</sup> day after the review date and no later than three months from the review date.
- If the review notice was not served at least 28 days before the review date, the site owner cannot apply earlier than 56 days from the date they served the review notice and no later than four months from that date.

14.2 A residential property tribunal can accept an application outside of these time limits, but they will only do so if they consider that the site owner can show good reason for not making the application on time and also for the delay in making the application since then.

### **What does the tribunal take into account when deciding on the pitch fee?**

15.1 A residential property tribunal will take into account all the matters mentioned above. They may, of course, reach different findings on those matters from those reached by the site owner. This means a residential property tribunal can confirm the proposed pitch fee or reduce or increase it. In fact, the tribunal can decide on a pitch fee that is lower than that currently being paid.

### **Will I be able to give my comments to the tribunal?**

16.1 Yes. The tribunal will either hold a hearing to consider comments all sides or, if a hearing is not asked for, they will consider the written comments from all sides before reaching their decision.

### **When does the pitch fee set by the tribunal apply from?**

17.1 The new pitch fee will apply from:

- the review date; or
- 28 days after the date the review notice was served, if it was not served initially.

This will apply whether the tribunal confirms the existing pitch fee or decides on a different amount.

### **If the tribunal puts the pitch fee up, do I have to pay the backdated amount?**

18.1 Yes. You have 28 days from the date of the tribunal's decision in which to pay the amount you should have paid from the date the new pitch fee came into effect. However, during the 28 days, you will not be treated as being in arrears.

18.2 However, if you want to pay the balance by instalments, you can ask the tribunal to make an order for you to do so. If the tribunal considers there is good reason for you to pay in instalments, they may make an order for you to pay off the arrears at the amounts and at the intervals given in the order.

## **If the tribunal reduces the pitch fee, am I entitled to a refund?**

- 19.1 You will be entitled to a refund if the tribunal has fixed a pitch fee which is lower than you currently pay. However, they cannot backdate it beyond the date the new pitch fee comes into effect.

## **Can I apply to the tribunal?**

- 20.1 If the site owner proposes a new pitch fee, you can apply to a tribunal for a decision in the same way that the site owner can. However, in most circumstances you will not need to because, if you do not agree with the proposed pitch fee, the site owner cannot force you to pay it. It is up to the site owner to apply to a residential property tribunal to prove the change is justified. However, you may want to apply if you believe that the pitch fee ought to be reduced because, for example, the condition of the site has got worse.

## **Can an application be made to a tribunal between review dates?**

- 21.1 Once a pitch fee has been agreed or fixed by a tribunal, it cannot be changed until the next review date. As a result, a residential property tribunal cannot accept an application in between review periods.

## **If a pitch fee review is not completed**

- 22.1 **A pitch fee review will be completed if you agree to the new pitch fee or it is fixed by a tribunal.**
- 22.2 If you do not agree to the new pitch fee and the site owner does not apply to a residential property tribunal before the end of the period allowed (or if permission to make an application outside of that time has been refused), the proposed pitch fee cannot be put in place and the review process ends. This means you will continue to pay the same fee until the next review date.

## **Pitch fees before 30 April 2011**

### **Local-authority traveller sites**

- 23.1 The rules set out in this fact sheet only apply to pitch fee reviews that are made by the local authority on or after 30 April 2011. Any review which was started before that date must be carried out in line with the agreement or rules that applied before 30 April 2011.

### **All other sites**

- 24.1 If a site owner served a notice of a pitch fee review on you before **30 April 2011** (whether you objected to the proposed new pitch fee or have not responded) and the period for responding has come to an end, the site owner can apply to either a residential property tribunal or a county court.

24.2 If they apply to a county court, they must do so no later than 29 April 2012, after which date the court will not have the power to deal with an application. An application to the court will be dealt with in line with the ordinary court rules and procedures and the court can also award costs.

## **Paying for utilities (gas, electricity and water)**

- 25.1 If the site owner is responsible for supplying any utilities and it **is** a term of the pitch agreement that the cost is included in the pitch fee, the process set out above for deciding pitch fees applies. An increase in the cost of utilities would not, in itself, justify a change in the pitch fee beyond the change in the retail price index.
- 25.2 If the site owner is responsible for supplying utilities and it **is not** a term of the pitch agreement that the cost of supply is included in the pitch fee, the site owner can make extra charges for the cost of supply.
- 25.3 In these cases, any charges for mains gas or electricity outside the pitch fee are regulated by Ofgem. The maximum price the site owner can charge you for mains gas and electricity is the same price they paid for it, including any standing charges. For more information, please contact Consumer Direct at [www.consumerdirect.gov.uk](http://www.consumerdirect.gov.uk) or phone 08454 04 05 06.
- 25.4 And, any charges for supplying water or sewerage services outside the pitch fee cannot be more than the amount that the site owner is charged by the water company, plus a reasonable administration charge. You can get more information from [www.ofwat.gov.uk](http://www.ofwat.gov.uk) or phone 0121 644 7500.
- 25.5 These rules apply to anyone reselling electricity, mains gas or water or providing sewerage services.

# Pitch fee review flow chart

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

