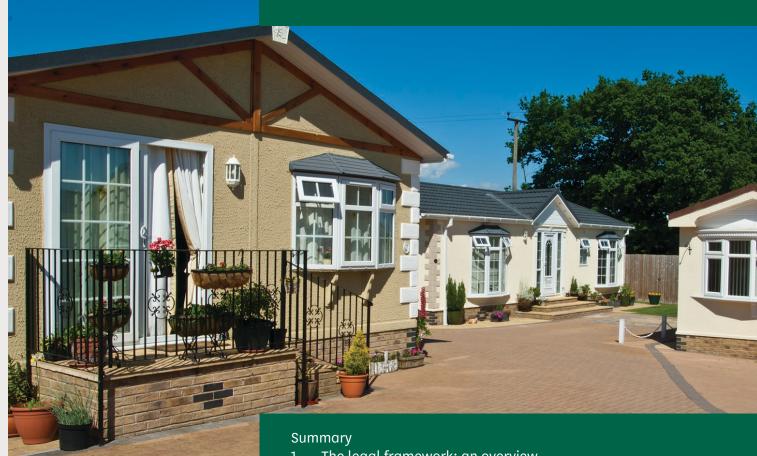


Research Briefing

1 September 2023

By Hannah Cromarty, Wendy Wilson

Mobile (park) homes



- The legal framework: an overview
- Effective protection?
- The rights of mobile home owners (England): an overview
- Wales, Scotland and Northern Ireland

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Contents

Sum	Summary	
1	The legal framework: an overview	8
1.1	The Caravan Sites and Control of Development Act 1960	8
1.2	The Caravan Sites Act 1968	9
	Definition of a caravan (England)	9
1.3	The Mobile Homes Act 1983	10
2	Effective protection?	11
2.1	Park Homes Working Group 2015	12
2.2	2017 review of mobile (park) homes legislation	13
3	The rights of mobile home owners (England): an overview	16
3.1	Written statements	16
	Implied terms	16
	Express terms	17
	Site Rules	17
3.2	Pitch fees	18
3.3	Variable service charges	20
3.4	Selling mobile homes	21
	Evidence of sale blocking	21
	Changes introduced by the Mobile Homes Act 2013	22
	10% commission on sales	25
3.5	Additional implied terms and obligations	26
3.6	Moving a mobile home	27
3.7	Home owners' alterations and improvements	28
3.8	Succession rights	28
3.9	Site conditions/licensing	29
	Background	29
	Changes introduced by the Mobile Homes Act 2013	31

Mobile (park) homes

	2017 review of park homes legislation	36
	Fit and proper person test	37
3.10	Dispute resolution	39
3.11	Termination of agreements	40
3.12	Residents' associations	42
3.13	Sale of utilities	43
3.14	Harassment and illegal eviction	44
3.15	Model standards	45
3.16	Repairs and maintenance	46
3.17	Damages and compensation	47
4	Wales, Scotland and Northern Ireland	48
4.1	Wales	48
4.2	Scotland	49
4.3	Northern Ireland	51

Summary

People living year-round in mobile (park) homes normally own their home and rent the land on which it is stationed from the site owner (paying a pitch fee). It is estimated that around 159,000 people live in mobile homes on 1,832 sites in England (PDF). Most mobile home sites are privately owned with a small number owned by local authorities. Mobile homes can offer an attractive housing option for retired people, consequently residents tend to be older. The age profile of mobile home owners can make it challenging for them to assert their rights when dealing with unscrupulous site operators.

The legal framework: issues and shortcomings

The legal framework within which site and mobile home owners operate has developed in a piecemeal fashion. The Mobile Homes Act 1983 extended the rights of mobile home residents, particularly in respect of security of tenure. However, various shortcomings in its provisions were identified, leading to calls for its review and amendment. In 1988 Shelter's now disbanded Mobile Homes Unit produced a report on the operation of the 1983 Act which called for changes to be made, including: having pitch fee levels fixed by rent officers; the development of an effective system of arbitration; and stronger duties on local authorities to inspect unfit housing on mobile homes sites.

Following a review carried out by a Park Homes Working Group in 1998, some of the shortcomings were addressed by the Housing Act 2004. Nevertheless, concerns around malpractice in the sector persisted. These focused on: complaints about unfair fees and charges; poor standards of maintenance; and site owners obstructing the ability of home owners to sell. The Labour Government conducted a further consultation exercise in 2009, following which detailed proposals to strengthen the site licensing system were set out in <u>Park homes site licensing reform: The way forward and next steps.</u> These measures were not implemented prior to the 2010 General Election.

The Coalition Government published <u>A better deal for mobile home owners</u> on 16 April 2012. The Communities and Local Government Select Committee conducted an inquiry into the park homes industry and published its report, <u>Park Homes</u>, in June 2012. The Committee found "widespread malpractice" in the sector and concluded that the existing legislative framework was "inadequate."

Mobile Homes Act 2013

After drawing fifth place in the 2012 Private Members' Bill ballot, Peter Aldous used this opportunity to introduce the Mobile Homes Bill 2012-13. The Bill secured Government support and amended existing legislation to strengthen the protection offered to mobile home owners in England. The 2013 Act implemented many of the proposals contained in A better deal for mobile home owners and recommendations made by the Communities and Local Government Select Committee in Park Homes. The Coalition Government issued detailed guidance on the rights and obligations of site and mobile home owners. The remit of the Leasehold Advisory Service was also extended to provide free information and advice to "owners of mobile homes, site owners, local authority officers or anyone else with a question about the law on park homes."

2017 review of mobile (park) homes legislation

Despite legislative activity in this area, mobile home owners are not content that all of their issues have been resolved. For example, there is particular dissatisfaction about the continuation of the requirement to pay a commission fee of 10% on the sale price of a mobile home to the site owner. A separate Library briefing paper on Mobile (park homes): 10% commission on sales provides detailed information on this charge.

In 2015, the Government set up a Park Homes Working Group "to identify evidence of poor practice where it exists and investigate how best to raise standards and further tackle abuse". The Group, which included national resident groups and industry trade bodies, concluded its work and put forward its recommendations to Government.

The Government conducted a two-part review of mobile (park) homes legislation in 2017. The review also sought views on some of the Park Homes Working Group's recommendations.

The review concluded that, overall, the measures introduced by the Mobile Homes Act 2013 had been effective in improving the sector. However, the review also identified areas where further action was needed, including: some administrative processes and procedures could be streamlined; some residents still lacked awareness of their rights and responsibilities; some local authorities faced barriers in carrying out their enforcement activities; and some site owners continued to take unfair advantage of residents.

The Government's <u>response to the two-part review</u>, published in October 2018, sets out proposals to strengthen the existing legislation by:

improving residents' rights;

- giving local authorities more enforcement powers to tackle rogue site owners;
- working with the sector to raise awareness of rights and responsibilities of residents; and
- developing and disseminating best practice amongst local authorities.

The Government has subsequently:

- introduced a legal requirement that a mobile home site owner or manager must demonstrate they are a 'fit and proper person' to manage a site; and
- supported enactment of the <u>Mobile Homes (Pitch Fees) Act 2023</u> which changed the pitch fee review inflationary index (used by site owners to increase the pitch fee paid by mobile home owners on their site) from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI).

The Government remains <u>committed to improving protections for mobile home residents</u> and "will introduce primary legislation to implement our remaining commitments, when the parliamentary timetable allows."

Housing policy is a devolved matter. Wales, Scotland and Northern Ireland have introduced specific legislation to regulate activities on residential mobile home sites - section 4 of this paper provides an overview.

1 The legal framework: an overview

The terms 'mobile home' and 'park home' are interchangeable in this briefing paper.

The main legislation that governs the mobile homes sector in England is:

- The Caravan Sites and Control of Development Act 1960, which deals with local authority licensing and control of mobile homes sites.
- The Caravan Sites Act 1968, which concerns the protection of occupiers against eviction and harassment.
- The Mobile Homes Act 1983, which governs the pitch agreement between the site owner and the resident.

These statutes were amended by the Housing Act 2004 and, more recently, by the Mobile Homes Act 2013.

The Mobile Homes Act 1983 and the Caravan Sites and Control of Development Act 1960 extend to England, Wales and Scotland. The Caravan Sites Act 1968 extends to England and Wales while parts also extend to Scotland. The Mobile Homes Act 2013 Act extends to England and Wales but did not alter the legal position in relation to Wales.

Housing policy is devolved; Wales, Scotland and Northern Ireland have introduced specific legislation in respect of mobile home parks in recent years (see section 4 of this paper).

1.1 The Caravan Sites and Control of Development Act 1960

The Caravan Sites and Control of Development Act 1960 requires that site owners obtain a site licence from the local authority before any land may be used as a caravan site. Local authorities have powers to impose conditions in site licences and enforce them if breached. The types of conditions that authorities may impose relate to the number of caravans allowed on the site; the spacing between the caravans; and the provision of amenities on the site. In attaching conditions to the licence local authorities will seek to ensure that general standards of environmental health are maintained.

1.2 The Caravan Sites Act 1968

The Caravan Sites Act 1968 introduced basic protection for all mobile home occupiers living on protected sites, ie on land for which the owner has planning permission and is entitled to obtain a site licence. The Act prevented site owners from evicting occupiers with residential contracts other than by obtaining a court order.

Definition of a caravan (England)

The 1960 Act and the 1968 Act also contain the legal definition of a caravan. In August 2005 the Office of the Deputy Prime Minister (ODPM) issued a consultation paper on proposals to amend the dimensions of a caravan on the following grounds:

So far as the law is concerned, a park/mobile home, a caravan holiday home, touring caravan or Gypsy and Traveller home are all capable of coming within the legal definition of a caravan provided they retain the element of mobility. Mobility, in this context, means that the caravan must be capable of being moved when assembled from one place to another. This means that it cannot be fixed to the ground. Permanent works, such as a large porch or extension, which fix the caravan to the ground could mean that a caravan no longer comes within the legal definition of a caravan and could as a consequence be treated as a building. This could have serious planning, legal and contract implications for site owners and residents alike such as residents of park homes not having protection under the Mobile Home Act 1983.¹

A summary of responses to the consultation paper and the Government's recommendations were published in January 2006:

It is clear that the recommendation made in the consultation document has wide support from all sectors of the industry. As outlined above, there are some concerns surrounding the impact on separation spaces between caravans. We are currently consulting on the model standards, which form the best practice for local authorities' site licences. These will cover the issue of separation distances between homes in greater detail and we would welcome any further comments regarding the separation distances between homes in that consultation. The consultation also includes matters relating to fire safety, which was another matter raised in some consultation responses.

Given the overall broad support for the proposal contained in the consultation document, we will prepare a Statutory Instrument to be laid before Parliament to amend the maximum dimensions of a caravan to those proposed in the paper. This will be laid before Parliament in due course.

Guidance with regard to the proposals will be published prior to the amendment coming into force, and will be incorporated in the guidance to support the revision of the model standards.²

ODPM, <u>Amending the definition of a caravan: Consultation paper.</u> 9 August 2005

² ODPM, <u>Amending the definition of a caravan: A consultation response</u>, 26 January 2006

The Social Landlords (Permissible Additional Purposes) (England) Order 2006 (Definition of Caravan) (Amendment) (England) Order 2006 implemented this change in England on 1 October 2006.

1.3 The Mobile Homes Act 1983

The Mobile Homes Act 1983 went further than the 1968 Act and gave security of tenure to residents of mobile (park) home sites who own the home in which they live and rent the pitch from the site owner. As with the 1968 Act, the 1983 Act only covers owners and occupiers of protected sites.³

From 30 April 2011 the 1983 Act was extended to apply to local authority Gypsy and Traveller sites.

2 Effective protection?

The legal framework within which site and mobile (park) home owners operate has developed in a piecemeal fashion. The Mobile Homes Act 1983 extended the rights of mobile home residents, particularly in respect of security of tenure, but various shortcomings in its provisions were identified, leading to calls for its review and amendment. Shelter's Mobile Homes Unit, which is now disbanded, produced a report on the operation of the 1983 Act which noted a number of weaknesses in the legislation and set out detailed recommendations for changes, including: having pitch fee levels fixed by rent officers; the development of an effective system of arbitration; and greater duties on local authorities to inspect unfit housing on mobile homes sites.⁴

The Department of the Environment, Transport and the Regions (DETR) established a Park Homes Working Group in 1998 with a view to reviewing a number of issues relating to mobile homes. The report of the Working Party was published on 12 July 2000. The Labour Government took comments on the report's conclusions up to 30 October 2000 and, in the interim, issued good practice guidance for residents and park owners on harassment and site licensing.

The Government's response to the Working Group's recommendations was published on 29 November 2001. Some, but not all the shortcomings identified were addressed by the Housing Act 2004. Nevertheless, concerns around malpractice in the park homes sector persisted. These concerns focused on: complaints about unfair fees and charges; poor standards of maintenance; and site owners obstructing the ability of home owners to sell. The age profile of mobile home owners tends to make it difficult for them to assert their rights when dealing with unscrupulous site operators.

In May 2009 the Labour Government published <u>Park Home Site licensing</u> - <u>Improving the Management of Residential Park Home Sites: Consultation</u> which built on a 2005 consultation exercise and considered how a new licensing system might look. The Government said its aim was to put in place a comprehensive package of proposals to reform the site licensing system. A further paper was published on 30 March 2010 which set out options for improving the management of park home sites: <u>Park homes site licensing</u> reform: The way forward and next steps. These measures were not implemented prior to the 2010 General Election.

⁴ Shelter, It's not what we expected, 1988

⁵ HC Deb 13 April 1999 c78W

⁶ DETR, Housing Research Summary No. 129, 2000

⁷ DTLR, <u>Government Response to the Recommendations of the Park Homes Working Party</u>, November 2001

On 10 February 2011 the Housing Minister, then Grant Shapps, said he would consult on a range of measures to improve the rights of mobile home owners and give local authorities the powers to ensure these sites are safe and secure. A better deal for mobile home owners was published on 16 April 2012; the consultation period closed on 28 May. Two impact assessments were published alongside the consultation paper, Changes to the Mobile Homes Act 1983 - Impact Assessment and Park Homes: Changes to the local authority site licensing regime - Impact Assessment. The summary of consultation responses and next steps was published in October 2012.

The Communities and Local Government Select Committee conducted an inquiry into the park homes industry and published its report, <u>Park Homes</u>, in June 2012. The Committee found "widespread malpractice" in the sector and concluded that the existing legislative framework was "inadequate".

Consumer Focus published the results of an investigation into life on mobile home sites in England, <u>Living the Dream?</u> (October 2012). This report reinforced the findings of earlier studies.

In the meantime, Peter Aldous drew fifth place in the Private Members' Bill ballot 2012 and used this opportunity to introduce the Mobile Homes Bill 2012-13 on 20 June 2012. The Bill secured Government support and received Royal Assent on 26 March 2013. The Act amended the 1983, 1960 and 1968 Acts and implemented many of the proposals contained in the consultation paper Δ better deal for mobile home owners and recommendations made by the Communities and Local Government Select Committee in Park Homes.

Despite legislative activity in this area, mobile home owners are not satisfied that all their concerns have been resolved. For example, there is particular concern about the requirement to pay a commission fee of 10% on the sale price of a mobile home to the site owner (see section 3.4).

2.1 Park Homes Working Group 2015

In 2015 the Government set up a Park Homes Working Group "to identify evidence of poor practice where it exists, and investigate how best to raise standards and further tackle abuse".⁸

The Working Group's 2016 Report was published as an Appendix to the Government's <u>Review of park homes legislation</u>: <u>Call for evidence - Part 2</u>. The key recommendations outlined in the report were as follows:

• The working group considers the lack of enforcement action by local authorities a priority concern.

⁸ <u>PQ 45729 [on Park Homes], 16 September 2016</u>

- The government should ensure that appropriate enforcement is taken by local authorities as the effectiveness of the Mobile Homes Act 2013 cannot be assessed in the absence of enforcement.
- Local authorities should be encouraged and assisted to share information and best practice across local authority boundaries through a central register.
- Local authorities should have a dedicated officer to deal with park home related issues and should be required to publish the name of the officer responsible.
- DCLG should speak and engage with the national bodies of solicitors and estate agents to raise awareness about the legislation.
- DCLG should work with the Department for Energy and Climate Change to investigate how the cost of LPG is made up and how the market can be made to work better on park home sites.⁹

There were also several issues, for example the 10% commission payable on sale of a mobile home to the site owner, which the Working Group considered but on which it did not make any recommendations.

In January 2017 the Minister for Housing, then Gavin Barwell, confirmed the Government had taken forward one of the Working Group's recommendations to write to local authorities to remind them of their new enforcement powers and available guidance.¹⁰

The Government sought views, through the 2017 review of park homes legislation, on the Working Group's recommendations to help ensure local authorities effectively carry out their licensing and enforcement functions (see section 2.2 below).

2.2 2017 review of mobile (park) homes legislation

The 2015 Conservative Government gave a commitment to review mobile (park) homes legislation in 2017. A review was carried out in two parts:

<u>Part 1</u> was concerned with wider practices in the park home sector and called for evidence on: the fairness of charges; the transparency of site ownership; and experience of harassment.¹²

Department for Communities and Local Government, <u>Review of park homes legislation</u>: call for evidence part 2, 28 November 2017, p15

¹⁰ PO 61818 [on Park Homes], 31 January 2017

¹¹ HC Deb 30 October 2014 c503

Department for Communities and Local Government, <u>Review of park homes legislation: call for evidence – Part 1</u>, 12 April 2017

<u>Part 2</u> called for evidence on the effectiveness of the Mobile Homes Act 2013, in particular on:

- how effective local authority licensing had been;
- how well the procedures for selling mobile homes, making site rules and pitch fee reviews were working;
- whether "fit and proper" controls needed to be applied in the sector; and
- the appropriate index (Consumer Price Index or Retail Price Index) to be used when carrying out a pitch fee review.

The Government also sought views on:

- the Park Homes Working Group's recommendations to help ensure local authorities effectively carry out their licensing and enforcement functions; and
- user experiences of the Leasehold Advisory Service (LEASE) which provides free independent advice to park home residents on their rights.

Summaries of responses to both parts of the review are available online at Gov.UK.

The review concluded the measures introduced by the Mobile Homes Act 2013 had been effective in improving the sector. However, areas were identified where further action was needed, including: some administrative processes and procedures could be streamlined; some park home residents still lacked awareness of their rights and responsibilities; some local authorities faced barriers in carrying out their enforcement activities; and some site owners continued to take unfair advantage of residents, most of whom are elderly and on low incomes.¹³

The Government's <u>response to the two-part review</u>, published in October 2018, set out proposals to strengthen the existing legislation and address ongoing issues. In summary, the Government proposed to:

Bring forward legislation to:

- amend and clarify the definition of a pitch fee and prevent the use of variable service charges in written agreements;
- simplify the complex and opaque company structures used by some rogue site owners to limit a resident's security of tenure and avoid liability for any enforcement action;
- introduce a fit and proper test for site owners; and

MHCLG, <u>Review of park homes legislation: government response</u>, 22 October 2018, para 5

- change the pitch fee review inflationary index from the Retail
 Prices Index (RPI) to the Consumer Prices Index (CPI).
- Set up a working group of representatives from across the sector to explore how messages about rights and responsibilities could be disseminated more widely. The group would examine how administrative processes for selling mobile homes, reviewing pitch fees and making site rules could be improved and streamlined further.
- Engage with local authorities through the Chartered Institute of Environmental Health (CIEH) and the Site Licensing Officers' forum to support them in raising awareness among local authorities about their existing powers, developing and sharing best practice on enforcement and for dealing with harassment cases.
- Support good site owners by engaging with the trade bodies to set up a Primary Authority¹⁴ to work with the industry and provide expert advice to other local authorities on licensing issues.
- Commission research to gather relevant data to enable a detailed assessment of the likely impacts of a change to the 10% commission on sales, on residents and site owners.¹⁵

Implementation

The Government has subsequently:

- introduced a legal requirement for a site owner or manager to demonstrate they are a 'fit and proper person' to manage a mobile home site (see section 3.9);
- commissioned research on the 10% commission charge on mobile home sales (see section 3.4); and
- supported enactment of the <u>Mobile Homes (Pitch Fees) Act 2023</u> which amended the pitch fee review inflationary index from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) (see section 3.2).

The Government remains committed to improving protections for mobile home residents and "will introduce primary legislation to implement our remaining commitments, when the parliamentary timetable allows."¹⁶

The Government's response explained that 'Primary Authority' is a statutory scheme that allows an eligible business to form a legally recognised partnership with a single local authority in relation to regulatory compliance. This local authority is then known as its 'primary authority'. It is a means for individual businesses or their trade body to receive assured and tailored advice through a single point of contact.

MHCLG, <u>Review of park homes legislation</u>: <u>government response</u>, 22 October 2018, paras 9-10

PQ 189153 [on Park Homes: Fees and Charges], 19 June 2023

The rights of mobile home owners (England): an overview

3.1 Written statements

The central feature of the 1983 Act is a requirement on the site owner to serve a written statement on the occupier containing the express and implied terms of the agreement. Since 18 January 2005, site owners have been required to issue a written statement of terms to prospective occupiers 28 days before any agreement for the sale of a mobile home is made or, if there is no such agreement, not later than 28 days before the occupation agreement is entered into.¹⁷ The parties can agree a shorter period between themselves but the prospective occupier must indicate their consent in writing to the specified shorter time-scale. The Mobile Homes (Written Statement) (England) Regulations 2011 specify the form of, and the additional matters which must be included in, a written statement. The aim is to ensure that potential mobile home occupiers are made aware of the terms under which they will occupy the site before taking up occupation.

Implied terms

Schedule 1 of the Mobile Homes Act 1983 (as amended) sets out the implied terms which are to be incorporated into agreements between site and mobile home owners. These cover issues such as the home owner's indefinite right to live in their home on the site unless the agreement is validly terminated by either party; the circumstances in which a valid termination of the agreement may take place; the occupier's right to sell; or give the mobile home to a person approved by the site owner; and the rules regarding succession as they apply to owners and occupiers. The implied terms constitute the minimum rights and obligations all residents of park homes in England have.

Section 208 of the Housing Act 2004 Act amended the 1983 Act to give the Secretary of State power to add additional implied terms and power to repeal and vary the existing implied terms in the 1983 Act. Provision was made for the first exercise of this power to have retrospective effect. The Mobile Homes Act 1983 (Amendment of Schedule 1) (England) Order 2006 introduced new implied terms with effect from 1 October 2006.

DLUHC has published a <u>factsheet of the consolidated implied terms in park home pitch agreements</u> which apply from 2 July 2023.

¹⁷ Section 206 of the Housing Act 2004

Express terms

Express terms of the written agreement are individually negotiated between the owner and the occupier. They usually cover such areas as the occupier's obligation to keep the home in a decent state of repair and the obligation on the site owner to maintain the park and its facilities. The parties can include whatever terms they like in the express terms as long as they do not conflict with any of the statutory implied terms. There is no requirement that the statement be signed or witnessed.

To give site owners an incentive to comply with the duty to provide a written statement, the express terms are not enforceable at the suit of the site owner. The express terms remain enforceable at the suit of the occupier, so if they would work in their favour, they can enforce them against the site owner.

In the event of the owner failing to produce a written statement, the occupier may apply to a First-Tier Tribunal (FTT) at any time for an order requiring the owner to produce the written statement. There is also provision for either party to apply to the FTT to have an express term reinstated into an agreement. This is to enable the rectification of defective agreements.

If either party wishes to delete, vary, or add an express term to the agreement they can apply to a FTT within the first six months. Currently this only applies to the original parties to the agreement and does not apply if the agreement is transferred on the sale of the home. Express terms are also sometimes varied on assignment as a condition of the sale. The Government proposed, in A better deal for mobile home owners (April 2012), to apply the six month rule to agreements assigned through a resident's sale to a third party. It was decided not to proceed with this proposal as the site operator's role in approving sales has been removed.

Site Rules

Mobile home sites usually have specific rules, such as a minimum age requirement for residents and management rules on keeping pets, car parking and refuse collection. These rules form an integral part of the pitch agreement and there should be a clear mechanism for making or amending these rules.

The CLG Select Committee (2012) found evidence of site rule breaches by site owners:

It appeared to us that some site owners were willing to break these rules. On our visit to Bournemouth, we saw evidence of increasing number of park homes being rented out by site owners. In some cases they were being rented to people under 50 years old which contravened park rules.¹⁹

⁸ CLG, <u>A better deal for mobile home owners</u>, April 2012, p14

House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, para 71

Section 9 of the Mobile Homes Act 2013 amended the 1983 Act by inserting two new sections. Sites rules, where they exist, are now an express term in pitch agreements between the site and mobile home owner. The aim is to create certainty between the parties. ²⁰ On introduction, this provision applied retrospectively to existing pitch agreements in addition to newly made agreements. ²¹

The Secretary of State has regulation making powers to set out the procedure to be followed by site owners proposing amendments to site rules. Regulations may provide for existing rules to have no effect; prescribe matters in relation to which site rules may not be made; provide for dispute resolution procedures; and require local authorities to keep and publish an up-to-date register of site rules in their areas.

The Mobile Homes (Site Rules) (England) Regulations 2014 introduced a new procedure with effect from 4 February 2014 whereby site owners must consult occupiers before changing the site rules. A consultee may appeal to the Tribunal against any new rule if:

- there has been a failure to follow the prescribed consultation process;
- the new site rule is inconsistent with rights granted under the 1983 Act (as amended); or
- the decision to introduce the new rule is unreasonable, having regard in particular to: any observations received during the consultation process; the size, layout, character, services or amenities of the site; or the terms of any planning permission or site licence.

Regulation 18 made consequential amendments to <u>The Mobile Homes</u> (Written Statement) (England) Regulations 2011 to set out that site rules now form part of the express terms of an agreement made under the Mobile Homes Act 1983.

3.2 Pitch fees

The pitch fee is the sum the mobile home owner is required to pay the site owner under their written agreement in order to station a mobile home on a pitch and use the common areas of the site.

The terms governing when and how pitch fee reviews can be conducted and what can be included in such a review are contained in the Mobile Homes Act 1983 (as amended). Pitch fees can be reviewed annually, a review date is usually specified in the written agreement. Site owners must give mobile home owners 28 days' notice in writing and use a standard pitch fee review

 $^{^{\}rm 20}$ $\,$ These provisions do not apply to Gypsy and Traveller sites.

²¹ Section 9 came into force on 26 May 2013.

form.²² The form is designed to provide greater transparency in pitch fee reviews, to help mobile homes owners understand the amount they are being charged and ensure that site owners are not able to add unfair charges onto the pitch fee. If the form is not provided the notice of increase has no effect.

The calculation of the pitch fee takes into account:

- the current pitch fee adjusted by the Consumer Prices Index (CPI);
- any recoverable costs (eg, the costs of improvements to the site);²³ and
- any relevant deductions (eg, amounts that reflect deterioration in the condition of the site or a reduction in services).

Certain other costs are specifically excluded from being included in a pitch fee review. For example, costs incurred as a result of enforcement action by the local authority (in relation to its licensing functions under the Caravan Site and Control of Development Act 1960) and those incurred in court or tribunal proceedings.

Mobile home owners who disagree with a proposed pitch fee increase have the right to apply to the <u>First-tier Tribunal (Property Chamber)</u> for a determination on the amount of the new pitch fee.

The Government-funded Leasehold Advisory Service (LEASE) Park Homes has published guidance on pitch fee reviews and pitch fees FAQ.

Inflationary index

In 2012, the CLG Select Committee recommended the maximum annual pitch fee increase should be calculated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). It was contended this would create a fairer link between home owner incomes and pitch fees, particularly as pensions were linked to CPI."²⁴ CPI is generally lower than RPI, which would provide a cost saving to mobile home owners. The Government rejected this recommendation at the time saying, "unlike the Consumer Price Index the Retail Price Index takes account of all housing costs and is, therefore, a more accurate reflection of inflation in that sector."²⁵

As prescribed by <u>The Mobile Homes (Pitch Fees) (Prescribed Form) (England) Regulations 2023</u> (SI 2023/620)

Repairs and maintenance of the site are the responsibility of the site owner and should be funded through existing revenue resources and not through pitch fee increases. The site owner must consult all residents about any proposed improvements they wish to be taken into account when determining the amount of any new pitch fee.

House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, para 76

MHCLG, <u>Park homes - Government response to the House of Commons Communities and Local Government Select Committee first report of session 2012-13</u>, Cm 8424, 1 August 2012, p11

However, following the 2017 review of park home legislation, the Government committed to legislate to change the pitch fee review inflationary index from RPI to CPI:

On the pitch fee review inflationary index, the Government has considered all the arguments put forward including concerns about affordability for both residents and site owners. We also considered the merits of using CPI or RPI as the pitch fee review inflationary index and have concluded that CPI is the most appropriate inflationary index as the designation of RPI as a national statistic has been cancelled by the UK Statistics Authority. The Government will introduce legislation in due course to change the pitch fee review inflationary index from RPI to CPI, when parliamentary time allows.²⁶

Sir Christopher Chope introduced a Private Members' Bill, the <u>Mobile Homes</u> (<u>Pitch Fees</u>) <u>Bill 2022-23</u>, in the House of Commons on 20 June 2022. The Bill sought to amend the Mobile Homes Act 1983 to change the pitch fee review inflationary index from the RPI to the CPI. The Bill had Government support and passed all its stages in the House of Commons in one sitting on 18 November 2022. Following its passage through the House of Lords, the Bill received Royal Assent on 2 May 2023.

The <u>Mobile Homes (Pitch Fees) Act 2023</u> came into force on 2 July 2023 and applies to England only. On or after that date, CPI must be used in all pitch fee reviews.

3.3 Variable service charges

The 2017 review of park home legislation also examined the issue of variable service charges. Along with the agreed pitch fee, some site owners include management, administrative and legal costs within the terms of the written agreement as a variable charge levied as and when required.

Whilst only a minority of site owners do this, where this approach is used it can have a significant impact on residents. The Government committed to:

- bring forward legislation to amend and clarify the definition of a pitch fee and prevent the use of variable service charges in written agreements; and
- work with stakeholders to explore how messages about residents' rights and responsibilities can be disseminated to existing and prospective residents more effectively.²⁷

MHCLG, <u>Review of park homes legislation: government response</u>, 22 October 2018, para 42

MHCLG, <u>Review of park homes legislation: government response</u>, 22 October 2018, paras 15-16

3.4 Selling mobile homes

General guidance can be found in the DCLG factsheet, <u>Selling or gifting a park</u> home: factsheet (June 2013).

Evidence of sale blocking

An area that causes mobile home owners considerable concern is the problems they face when site owners try to block their right to sell to a third party. The 1983 Act gave mobile home owners the right to sell, but site owners have been creative in their methods to block open market sales to force owners to sell to themselves at a lower price. This enables the site owner to put a new home on the pitch and sell that (or the existing home) at its full market value. This is often more financially beneficial to the site owner than taking the 10% commission on third party sales.

Sale blocking has attracted previous legislative attention. Section 207 of the Housing Act 2004 introduced (with effect from 18 January 2005) a contractual duty on the site owner to give approval to a prospective purchaser within a time limit of 28 days unless it was reasonable not to do so. If the site owner did not issue a decision within 28 days, or withheld approval unreasonably, the occupier could seek damages for breach of contract. The mobile home owner could also seek an order from a Tribunal declaring approval of the prospective purchaser.

The Mobile Homes Act (Amendment of Schedule 1) (England) Order 2006, which came into force on 1 October 2006, provided:

Paragraph 8, which concerns the sale of the mobile home, has been amended so as to remove the owner's right to attach conditions to their approval of the purchaser and so that the only factor they can take into account is the suitability of the incoming resident. This has also been amended to make it clear that only commission is payable on the sale and that they cannot claim any other payment.²⁸

Problems faced by mobile home owners persisted. Some site owners used their right to approve prospective purchasers to contact them and deter them from buying or persuade them to buy a new home on the site. The CLG Select Committee (2012) found evidence of direct intimidation and harassment of owners trying to sell on the open market. ²⁹ Evidence submitted to the Committee by the British Holiday and Home Parks Association, and the National Caravan Council, acknowledged the existence of sale blocking and expressed support for legislation to tackle it. ³⁰

DCLG, Park Homes Factsheet 2 - implied terms amendments - what it means for you (PDF), 2006

²⁹ House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, para 14

House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, Ev 113 and Ev 105

In <u>A better deal for mobile home owners</u> the Government proposed three possible approaches:

- abolition of the site owner's approval of the purchaser; or
- the purchaser would be deemed "approved" unless declared unsuitable by a Tribunal; or
- keeping the approval requirement, but in the event of evidence of abuse the home owner could apply to a Tribunal to exercise the approval role.

The CLG Committee, after considering the various options, concluded that "removing a site owner's right to approve prospective buyers provides the only effective way to eliminate sale blocking." The alternative options were thought to present risks by giving site owners an opportunity to slow down the sale process.³¹

Although representatives of the park homes industry told the Committee they hardly ever refused applications for approval, leading the Committee to conclude that "it is rarely used legitimately," ³² they pointed out the merits of seeking the site owner's approval:

We have refused people based on age – that is all – but only in a few cases. All our advertising is for 50 plus, and they are usually the type of people who come to us. We also think we have a duty to protect the residents who live on the park. If you buy a park home for a quiet retreat, you do not expect someone to move in next door with three children, two dogs and everything else that goes with it. Anybody who spends these considerable amounts of money should want to meet the park owner.³³

The Committee recognised that abolishing the site owner's right to approve buyers would reduce their contact with the seller, and transfer responsibility to the seller for bringing the site rules and pitch agreement to the attention of the buyer.

Changes introduced by the Mobile Homes Act 2013

Section 10 of the 2013 Act amended schedule 1 to the 1983 Act by inserting new paragraphs (which only apply in England)³⁴ making provision about the sale or gifting of a mobile home. Different provisions apply where the proposed sale/gift concerns an existing agreement as opposed to a new pitch agreement (ie, one made after the new provisions came into force, or one which was made before but which is assigned after the provisions came into force). The different approach to new and existing agreements takes account of the fact that the new provisions, in so far as they relate to existing

House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, para 24

³² As above.

House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, para 23

Existing paragraphs 8 and 9 of Schedule 1 to the MHA 1983 will only apply in Wales.

agreements, affect site owners' existing contractual rights. Section 10 came into force on 26 May 2013.

New agreements (sale of a mobile home)

In addition to the existing rights of a mobile home owner to sell and assign their pitch fee agreement and the right of a site owner to receive commission on the sale, new paragraph 7A removed the requirement on site owners to approve prospective purchasers. Instead, a requirement was placed on the purchaser to notify the site owner of the completion of sale and assignment of the agreement. The Secretary of State made regulations specifying the procedural requirements to be followed by the parties in connection with the sale.

The Mobile Homes (Selling and Gifting) (England) Regulations 2013 prescribe the form of notice required where a sale/gift of a mobile home is proposed. The regulations came into force on 26 May 2013. The Mobile Homes Act 2013 (Saving Provisions) (England) Order 2013 contains relevant transitional and saving provisions (also in force on 26 May 2013).

The Mobile Homes (Site Rules) (England) Regulations 2014 provide that any site rules made prior to the commencement of the relevant sections of the 2013 Act (26 May 2013) which conferred power on the site owner to prevent a sale or gift of a mobile home, ceased to have effect from 4 February 2014. These Regulations also amended The Mobile Homes (Selling and Gifting) (England) Regulations 2013 to revoke regulation 11 (replaced by regulation 15 of SI 2014/5) and to add an additional ground on which a site owner may apply for a refusal order under regulation 7 of the Selling and Gifting Regulations.

New agreements (gift of a mobile home)

New paragraph 8A of schedule 1 to the 1983 Act retained the right of a mobile home owner to gift the home and assign the pitch agreement to a member of his or her family but removed the requirement for the site owner to approve the person to whom the property is gifted, subject to the occupier producing "relevant evidence" establishing the family connection. The Secretary of State has a regulation making power to specify what constitutes "relevant evidence" and to set out procedural requirements in connection with gifting and assigning a mobile home agreement.

As noted above, <u>The Mobile Homes (Selling and Gifting) (England)</u>
Regulations 2013 prescribed the form of notice required where a sale/gift of a mobile home is proposed. The regulations came into force on 26 May 2013.
The changes made by <u>The Mobile Homes (Site Rules) (England) Regulations</u> 2014 are also relevant.

Existing agreements (sales and gifting mobile homes)

Where there is an existing agreement new paragraphs 7B and 8B set out the requirements that must be met before a mobile home owner is entitled to sell or gift their home and assign the pitch agreement.

The home owner must serve notice on the site owner advising of the intention to sell/gift the home. The notice must include the name of the prospective buyer or family member (where the home is being gifted) together with the prescribed information contained in the Mobile Homes (Selling and Gifting) (England) Regulations 2013. Where a gift is proposed, the notice must include "relevant evidence" of the family connection.

The second requirement is that the home owner does not, within 21 days of the site owner receiving the notice, receive a notice back advising that that the site owner is seeking an order from the First-Tier Tribunal (Property Chamber)³⁵ to prevent the sale/gift ("a refusal order"), or that the site owner has made an application which has been refused.

In Public Bill Committee the Minister, then Don Foster, acknowledged that several existing agreements contained express terms requiring assignment of the agreement to take place in the presence, or with the approval of, the site owner. He moved amendments to make it clear that the approval of the site owner would no longer be required.³⁶

The Mobile Homes (Site Rules) (England) Regulations 2014 provide that any site rules made prior to the commencement of the relevant sections of the 2013 Act (26 May 2013) which conferred power on the site owner to prevent a sale or gift of a mobile home, ceased to have effect from 4 February 2014.

Provision of information

A further new paragraph, A1, specifies information the home owner must provide to the prospective purchaser and the timescale for its provision. The Mobile Homes (Selling and Gifting) (England) Regulations 2013 specify the documents and/or other information to be provided. Failure by a home owner to adhere to the information requirement enables the purchaser to bring civil proceedings against them for breach of statutory duty.

The aim of paragraph A1 is to ensure prospective purchasers are aware of all relevant information (including restrictions in the site rules on who may reside on the site) and can make an informed decision as to whether to purchase.

2017 review of park homes legislation

The Government's 2017 review of park homes legislation concluded that, overall, the new procedures for selling mobile homes had reduced or eliminated the ability of site owners to block sales by residents. However, there was evidence that some residents, site owners, estate agents and solicitors did not fully understand the procedures and their responsibilities.

The Government set up a working group of representatives from across the sector to explore how messages about the legislation could be disseminated

The Act provides for applications to a Residential Property Tribunal (RPT) but The Transfer of Tribunal Functions (Mobile Homes Act 2013 and Miscellaneous Amendments) Order 2014, provides for applications to First-Tier Tribunals (Property Chamber) as RPTs have been abolished in England.

³⁶ PBC 27 November 2012 c17

more widely and examine how the administrative processes for selling mobile homes could be improved further.³⁷

10% commission on sales

When an owner of a mobile home situated on a site covered by the Mobile Homes Act 1983 (as amended) sells their home, there is a requirement to pay commission on the sale to the site owner.³⁸ The maximum rate of commission is prescribed in regulations made by the Secretary of State and is currently set at 10% of the sale price.³⁹

There has been a polarised debate over the years about the commission payment, with mobile home owners calling for the rate to be reduced or abolished, and site owners arguing for the commission payment to be maintained.

The general justification for the commission charge is that what is sold is an amalgam of the value of the park home and the value of the site on which it is placed. Site owners regard the charge as an important source of income which allows them to reinvest in the parks and maintain higher standards without additional costs for homeowners.

Mobile home owners regard the requirement to pay commission as unfair and outdated. Various organisations, such as <u>Park Home Owners Justice</u>

<u>Campaign</u> (PHOJC), have campaigned for reform. The PHOJC has argued the 10% charge should be based on the difference between the last sale price and the current sale price.

The charge has been reviewed several times since it was reduced from 15% in 1983. The Park Homes Working Group 2015 considered the issue but was unable to reach a consensus.⁴⁰

In October 2018, the Government committed to commission research to gather relevant data to enable a detailed assessment of the likely impacts of a change to the 10% commission charge on residents and site owners. ⁴¹ The University of Liverpool and Sheffield Hallam University carried out the research and published a <u>final report</u> in June 2022. ⁴² The authors made a number of recommendations including that the maximum commission on

MHCLG, <u>Review of park homes legislation: government response</u>, 22 October 2018, paras 35-41

Paragraphs 7A(5) and 7B(8) of Part 1 Schedule 1 to the Mobile Homes Act 1983 (as amended). The mobile home owner is entitled to 90% of the sale price when the sale is completed. The buyer must hold the remaining 10% as commission which has to be paid to the site owner later.

The Mobile Homes (Commissions) Order 1983 (SI 1983/748): Mobile Homes (Selling and Gifting) (England) Regulations 2013 (SI 2013/981)

DCLG, Appendix A: Park Homes Working Group Report: June 2016 (PDF), para 55

⁴¹ MHCLG, <u>Review of park homes legislation: government response</u>, 22 October 2018, p12

DLUHC, The impact of a change in the maximum park home sale commission: final report, 16 June 2022

park home sales should not be reduced without financial support for smaller parks.⁴³ To date the Government has not responded to the report's findings.

A separate Commons Library briefing paper on <u>Mobile (park homes): 10%</u> commission on sales provides detailed information on the commission charge and consideration of whether it should be amended.

3.5 Additional implied terms and obligations

As noted above, the July 2004 consultation paper, 'Park Homes Statutory Instruments: consultation on implied terms and written statements', contained proposals to amend the terms implied into written statements by the 1983 Act. In addition to the specific proposals previously referred to in this note, The Mobile Homes Act (Amendment of Schedule 1) (England) Order 2006, which came into force on 1 October 2006, provided:

- In respect of the **re-siting of a home**, except for essential or emergency works, if the site owner wishes to move the home, they must make an application to the First-Tier Tribunal (Property Chamber). The FTT must be satisfied that the move is reasonable in all cases. In addition, the new pitch must be broadly comparable to the original pitch and the site owner is liable for any costs incurred during the movement of the home. If a home is to be moved for repairs to the base, the site owner must return the home to its original pitch on completion of the repairs, if the resident requires or the FTT orders.
- Occupiers are entitled to **quiet enjoyment of the pitch** as an automatic right.
- Site owners can enter a pitch between 9am and 6pm to deliver written communications, including post and notices, or to read meters for services which they supply, or to carry out essential or emergency works. They must give as much notice to the resident as is practical. Entry required for any other reason requires the site owner to give 14 days' written notice of the date, time and reason for the visit, unless agreed otherwise.
- The site owner must inform the resident or the residents' association of an **address** in England or Wales at which any notices can be served. If the site owner serves a notice for any reason, it must contain the owner's name and an address in England or Wales where papers can be served. If the notice does not contain that information, then the notice or charge is not deemed payable, or served, until the information is supplied.

Residents must:

⁴³ As above, para 36

- Pay the pitch fee and any sums due under the written agreement.
- Keep the mobile home in a sound state of repair.
- Maintain the outside of the mobile home and all areas of the pitch for which they are responsible.
- On request of the owner, provide evidence of expenditure for which they are seeking reimbursement.

Site owners must:

- Provide accurate written details of the pitch on request. These details
 must be from fixed points. The park owner can charge up to £30 for this
 to existing residents.
- On request and at no cost, provide documentary evidence in support of any charge.
- Repair the base on which the mobile home is situated if necessary.
- Maintain any gas, electricity, water, sewerage or other services supplied to the pitch or to the mobile home.
- Maintain and keep clean and tidy parts of the park which are not the responsibility of a resident.
- Consult residents on any proposed improvements to the park.
- When consulting, give at least 28 days' notice in writing, outlining how it will affect the park and how representations can be made. These representations must be taken into account.

3.6 Moving a mobile home

The previous section sets out the protections available to mobile home owners when a site operator wants to re-site a home. A better deal for mobile home owners noted that complaints of abuse continued and contained proposals to improve and clarify the law so a home could only be moved with the authorisation of a First-Tier Tribunal (Property Chamber).

Following consultation, the Government concluded:

...from the examples cited in the consultation responses, it is clear that better understanding and enforcement of the existing law should be the priority, rather than a change to the law. We will work with residents and industry partners to achieve this.⁴⁴

⁴⁴ CLG, <u>Summary of consultation responses and next steps</u>, October 2012

3.7 Home owners' alterations and improvements

Mobile home owners complain of site operators who obstruct improvement works even when these are being carried out inside owners' homes. In \underline{A} better deal for mobile home owners the Government proposed to make it clear that a home owner is always entitled to make internal improvements as long as they do not alter it to the extent that it no longer fulfils the definition of a mobile home.⁴⁵

Regarding external improvements, the Government proposed the site operator should be able to refuse or grant permission, but that this permission should not be unreasonably withheld. Following consultation, the Government decided not to legislate on this issue. They cited a lack of evidence of a widespread problem and the existence in many agreements of a provision requiring the site owner's permission be given for permitted improvements into which, a tribunal had held,⁴⁶ it could be implied that permission should not be unreasonably withheld.⁴⁷

3.8 Succession rights

Problems have been identified where mobile homes are jointly owned but only one owner is a signatory to the pitch agreement. Where the signatory dies or moves into a care home, the remaining owner may not be entitled to succeed to the pitch agreement. A better deal for mobile home owners proposed a simplification of the law so that anyone who owns and lives in the home as their only or main residence would be deemed to be party to the pitch agreement.

Changes were also proposed to clarify the situation where someone inherits a mobile home but does not have the right to live there. The proposal was to change the law to allow someone inheriting a mobile home to either: a) live in it under the terms of the agreement; or b) gift it to a family member so they can live in it. This would be subject to the owner complying with the site rules (including any rules on age).⁴⁸

Consultation revealed no consensus over the best solution. The Government said it would "continue to work with partners to identify what practical and effective measures can be introduced to clarify the law." The key issue around inheritance was identified as difficulty in selling and as the 2013 Act was

⁴⁵ DCLG, <u>A better deal for mobile home owners</u>, April 2012, p16

⁴⁶ Potter v A Hartley (Bir/41 UG/PHC/2011/0001) (5 October 2011)

⁴⁷ DCLG, <u>Summary of consultation responses and next steps</u>, October 2012

⁴⁸ DCLG, <u>A better deal for mobile home owners</u>, April 2012, p17

already addressing this issue the Government did not see a "pressing need for reform."

3.9 Site conditions/licensing

Background

Mobile home residents have also complained of poor conditions on sites.

The Caravan Sites and Control of Development Act 1960 (CSCDA) requires site owners to obtain a site licence from the local authority before any land may be used as a caravan site. Local authorities have powers to impose conditions in site licences and enforce them if breached. The types of conditions authorities may impose relate to: the number of caravans allowed on the site; spacing between the caravans; and the provision of amenities on the site.

The 1988 Shelter report noted that local authority practice in enforcing site licence conditions under the CSCDA was "variable." This finding was reinforced in the 1992 Department of the Environment (DoE) survey. The Park Homes Working Group of 1998 made several recommendations in relation to site conditions/site licensing.

On 14 January 2005 the ODPM published a consultation paper, <u>Park Homes Site Licensing Proposals for Reform</u>, which outlined existing regulations and difficulties with the licensing system and proposed several changes which, the Labour Government claimed, were "broadly in line with recommendations suggested by the Park Home Working Group." The press notice announcing publication of the consultation paper said "there is no specific commitment to act on the results" [of the consultation exercise] and:

... we will make recommendations in the light of the resource and legislative position at the time. We have no resources within SR04 years to take forward any changes that might be agreed as a consequence of the consultation if they contain new burdens or are not clearly cost neutral at the outset. We would need to prioritise any implementation work and costs within SR06 years (2007-2010). 50

A summary of responses was published in July 2005, <u>Park Home Site Licensing</u>. <u>Proposals for Reform: Summary of Responses</u>.

Subsequently, during a Westminster Hall debate on 26 March 2008 on park homes, the Parliamentary Under-Secretary of State, then Iain Wright, expressed an intention to bring in legislation to address concerns about site licensing and improper activity amongst site owners.⁵¹

⁴⁹ DCLG, <u>Summary of consultation responses and next steps</u>, October 2012

ODPM Press Release 2005/329, 14 January 2005

⁵¹ HC Deb 26 March 2008, c89 WH

He said consultation on the matter would take place before detailed proposals were put forward. On 12 May 2009 the Labour Government published Park Home Site licensing - Improving the Management of Residential Park Home Sites: Consultation (PDF) which built on the 2005 consultation and considered how a new licensing system might look (the consultation process closed on 4 August 2009). On publication the Minister said:

Persons engaged in the management of park home sites will need to demonstrate they have the relevant competences to manage sites. The new system will give local authorities duties to impose management conditions in licences and a range of enforcement tools to ensure that site licensing conditions are complied with. It will also allow local authorities to recover their costs in connection with their duties under the new provisions by charging appropriate fees. The proposals are intended to drive up the management standards in this sector and, in those parts of it where that is not possible, we intend to give local authorities powers to put alternative management arrangements in place. ⁵²

A summary of responses to this consultation paper, together with information on how the Labour Government intended to take these matters forward, was published on 30 March 2010: <u>Park homes site licensing reform: The way forward and next steps.</u> These measures were not introduced prior to the 2010 General Election.

A better deal for mobile home owners (2012) said the licensing provisions in the 1960 Act were out of date. The Coalition Government intended to enable authorities to "properly resource" their licensing functions by charging for their services and to give them appropriate powers to enforce licence conditions. ⁵³ Some of the proposed changes in A better deal for mobile home owners replicated those set out by the Labour Government in Park homes site licensing reform: The way forward and next steps (March 2010) but there were also some significant differences. For example, there was no proposal in A better deal for mobile home owners to require site operators to meet a 'fit and proper person' test.

The 2012 consultation paper contained proposals to:

- enable authorities to refuse to grant a licence if not satisfied that the site
 is fit for purpose this would give owners an incentive to engage with the
 local authority after planning permission is granted before any site works
 are carried out;
- give authorities power to charge for their licensing functions
 (applications, transfer, alterations of licences in addition to handling
 enquiries and complaints payable annually as a condition of the
 licence);

⁵² HC Deb 12 May 2009 cc43-4WS

⁵³ CLG, <u>A better deal for mobile home owners</u>, April 2012, p26

- enable authorities to enter sites and carry out emergency works and recover costs associated with this work (authorities have similar powers to carry out emergency works in relation to bricks and mortar homes);
- increase the maximum fine for operating a site without a licence and for breach of a site licence (previously £2,500).

Other proposed changes included making all site owners, irrespective of whether they are joint licence holders, jointly and severally liable for complying with the licence conditions. Views were sought on an appropriate level of maximum fine for obstructing entry to a site by any authorised person.⁵⁴

Changes introduced by the Mobile Homes Act 2013

Provisions in the Mobile Homes Act 2013 have significantly strengthened the role and powers of local authorities in relation to licensing mobile home sites in line with the proposals set out in <u>A better deal for mobile home owners</u>. 55

Sections 1-7, which came into force on 1 April 2014, are aimed at raising standards in the industry and delivering a more professional service to mobile home owners. The measures also provide for more effective enforcement action by local authorities where site operators do not comply with their licence obligations.

Ahead of the new licensing provisions coming into force, DCLG published Mobile Homes Act 2013: new licensing enforcement tools - a guide for park home site owners (February 2014).

Fees

Authorities were previously unable to charge for carrying out their licensing functions. In <u>A better deal for mobile home owners</u> the Government said "this inability to charge for their functions means that licensing functions are often under-resourced." ⁵⁶ The Communities and Local Government Select Committee also identified this as a "common theme" in submissions to its inquiry. ⁵⁷

The Committee stressed the need for "a clear link" between fees received and the resourcing activity to license and monitor mobile home sites.⁵⁸

⁵⁴ As above, pp26-33

Sections 1-7 of the Act concerning site licensing were not to be brought into force until after 31 March 2014. This date marked the end of the Coalition Government's moratorium on new burdens on micro-businesses.

⁵⁶ CLG, <u>A better deal for mobile home owners - Consultation</u>, May 2012, para 4.10

House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, para 41

House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, para 44

In <u>Park Homes: Changes to the local authority site licensing regime - Impact Assessment (PDF)</u> (April 2012) the Government provided an estimate of the costs to site owners of a new licensing regime:

The majority of the costs fall to site owners, who will need to pay new fees for licenses with a present value of around £26.5m over a ten year period as well as additional costs of administration and servicing enhanced monitoring and enforcement, which are estimated at around £9.8m. Costs to local authorities of increased monitoring and enforcement are estimated at around £22.3m.⁵⁹

The <u>Impact Assessment (PDF)</u> noted that where there are few sites within an authority's area the fees may have to be very high in order for the authority to achieve full cost recovery.

Section 1 of the 2013 Act amended the CSCDA to enable authorities to charge fees in relation to their licensing functions on "relevant protected sites." This excludes sites used for holiday caravans and those sites where year-round occupation is prohibited. ⁶⁰ Local authority owned sites are exempt from the licensing regime.

The level at which the initial application fee was set, and any annual fee required in respect of licensing functions, is a matter for the local authority to determine. Section 5A in the CSCDA requires the authority to inform the licence holder of the matters to which they have had regard when fixing the fee for the year in question.

Authorities can seek an order to recover overdue fees from a First-Tier Tribunal (Property Chamber). ⁶¹ Failure to comply with such an order within three months enables the authority to apply for an order revoking the site licence.

Fees are also payable for:

- an application to alter the conditions attached to a licence; and
- an application for consent to transfer a site licence on a relevant protected site.

Authorities are required, by section 10A in the CSCDA, to prepare and publish a fees policy which can be revised from time to time.

Site owners were able to recover the cost of the annual licence fee through the pitch fee review in the first year that the licence fee became payable by

DCLG, <u>Park Homes: Changes to the local authority site licensing regime - Impact Assessment (PDF)</u>,
April 2012, p5

Section 1 was amended in Public Bill Committee to ensure that sites including residential staff accommodation or that are occupied by the owner do not come within the definition of a relevant protected site. An amendment was also made to distinguish between a relevant protected site application and the grant of a holiday site licence [PBC 27 November 2012 cc3-5].

The Act provides for applications to a Residential Property Tribunal (RPT) but The Transfer of Tribunal Functions (Mobile Homes Act 2013 and Miscellaneous Amendments) Order 2014, provides for applications to First-Tier Tribunals (Property Chamber) as RPTs have been abolished.

the site owner. Thereafter, the fee is part of the pitch fee and is uprated in line with CPI.

The cost of any fees paid to accompany an application for site licence conditions to be amended, or consent to transfer a licence, cannot be passed on via the pitch fee. 62

The Park Home Owners Club commented on the site owner's ability to recover the cost of the annual licence fee through the pitch fee:

The law allowing the cost of the licence fee to be passed on to residents would seem very unfair. We in IPHAS and NAPHR protested about this repeatedly at meetings of the DCLG when the legislation was being drafted and we objected to the idea at the Select Committee meeting. But on the plus side, the government has pointed out that it now gives residents some leverage to use on the local authority. Whereas previously, when residents asked the local authority for action on the site licence conditions they would use the excuse of lack of resources, in future we can point out that the residents are paying for the licence fee so we are entitled to some return for our money. ⁶³

DCLG published <u>Mobile Homes Act 2013</u>: a guide for local authorities on setting licence fees in February 2014.

A review in January 2016 of the websites of 233 English local authorities by the British Holiday and Home Parks Association found that only 89 councils (38%) had published their site licensing fees. The Park Homes Working Group 2015 highlighted the wide range of site licensing fees being charged by local authorities:

For a 10-pitch residential park:

Annual fees ranged from £37.80 in Hart to £566 in Herefordshire

Fees for transfer of site licences ranged from £27.80 in Taunton Deane to £896 in Derby City.

For a 50-pitch residential park:

Annual fees ranged from £123 in Corby, Daventry and Wellingborough to £1,226 in Herefordshire

Fees for transfer of site licences ranged from £27.80 in Taunton Deane to £896 in Derby City. 64

A new paragraph has been inserted in Part 1 of Schedule 1 to the Mobile Homes Act 1983 to provide for this

Park Home Owner's Club, Site licence fee clarification, March 2013 (accessed on 17 December 2013)

DCLG, Appendix A: Park Homes Working Group Report: June 2016 (PDF), para 10

Applications to issue or transfer licences

Previously, where an applicant showed that they had the necessary planning permission and had provided the required information, the local authority had to issue a site licence. A better deal for mobile home owners advised:

...the requirement to obtain a licence does not arise until the owner starts to station caravans on the land. This means that, by the time a licence application is made, the site's infrastructure, services and amenities may have already been provided without the involvement or oversight of the local authority. As the authority is obliged to grant the licence (subject to a limited exception relating to breaches of a licence) within two months of receipt this can mean that substandard sites are licensed and authorities are obliged to take enforcement action retrospectively. 65

Section 2 of the 2013 Act gave local authorities discretion over whether or not to grant or transfer a site licence through amendments to sections 3 and 10 of the CSCDA. The Secretary of State has the power to make regulations to specify matters to which authorities will have regard when exercising discretion on whether to issue a licence.

The Mobile Homes (Site Licensing) (England) Regulations 2014 came into force on 1 April 2014. These Regulations set out the matters to which an authority must have regard when considering whether to issue or agree to the transfer of a licence. They include the ability of the applicant to comply with any conditions of the licence, management arrangements and condition of the site. Authorities can require specific information or documents to accompany an application for a site licence.

The regulations confer a right to appeal to a tribunal 66 against a decision to refuse a licence application and provide that no compensation is payable for losses suffered pending the outcome of an appeal by a site owner.

An application to issue or transfer a site licence received before 1 April 2014 had to be considered under the old provisions of the CSCDA.⁶⁷

Site licence conditions - appeals

Section 3 of the 2013 Act amended sections 7 and 8 of the CSCDA to provide that appeals against conditions attached to a site licence in England will go to a First-Tier Tribunal (Property Chamber)⁶⁸ rather than the magistrates'

DCLG, <u>A better deal for mobile home owners - Consultation</u>, May 2012, para 4.31

The Transfer of Tribunal Functions (Mobile Homes Act 2013 and Miscellaneous Amendments) Order 2014, provides for applications to First-Tier Tribunals (Property Chamber) as Residential Property Tribunals have been abolished in England.

Article 4 of the Mobile Homes Act 2013 (Commencement and Saving Provision) (England) Order 2014 (SI 2014/816)

The Act provides for applications to a Residential Property Tribunal (RPT) but The Transfer of Tribunal Functions (Mobile Homes Act 2013 and Miscellaneous Amendments) Order 2014, provides for applications to First-Tier Tribunals (Property Chamber) as RPTs have been abolished in England.

court. The tribunal can attach new conditions to a site licence where it varies or cancels a condition under section 7.

Compliance notices

Previously, if a site owner was in breach of a licence condition the local authority had a power to prosecute in the magistrates' court but could not serve a formal notice requiring the work to be done ahead of prosecution. In Δ better deal for mobile home owners the Government observed a reluctance on the part of authorities to prosecute site owners as the maximum fine of £2,500 did not represent a deterrent.⁶⁹

Section 4 of the 2013 Act amended section 9 of the CSCDA so in the event of a breach of a licence condition on a relevant protected site in England, the local authority can serve a compliance notice on the occupier. The occupier has the right to appeal to a First-Tier Tribunal (Property Chamber).

If the occupier fails to adhere to the terms of a compliance notice without reasonable excuse, they are guilty of an offence. Authorities can recover expenses associated with the service of a compliance notice.

Applications to amend site conditions made before 1 April 2014 had to be considered under the old provisions of the CSCDA.⁷⁰

Local authority powers to carry out works

The CLG Select Committee took evidence from authorities seeking the power to intervene to undertake works where licence conditions are not met, coupled with a power to recover costs. The Committee recommended the introduction of a power to undertake works within a regime akin to that under which authorities carry out works in default to Houses in Multiple Occupation (HMOs).⁷¹

Section 5 of the 2013 Act gave local authorities the power to enter and carry out works on sites in England where occupiers have been convicted of failing to comply with the steps set out in compliance notices.

In certain situations, authorities can take emergency action to remove an imminent risk of serious harm to the health and safety of any person on a relevant protected site in England. The occupier has a right of appeal. Section 5 was amended in Public Bill Committee to clarify that the deadline for service of an expenses demand, where emergency action has been taken, is two months after the date on which any appeal is determined, or two months after the completion of the action, whichever is the later date.⁷²

⁶⁹ CLG, <u>A better deal for mobile home owners - Consultation</u>, May 2012, para 4.16

Article 4 of the Mobile Homes Act 2013 (Commencement and Saving Provision) (England) Order 2014 (SI 2014/816)

House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, para 49

⁷² PBC 27 November 2012 cc5-6

Authorities have the power to reclaim expenses associated with carrying out necessary compliance works and/or emergency action.

Appeals, operative periods, recovery of expenses

Section 6 of the 2013 Act inserted three new sections into the CSCDA (9G, 9H and 9I). Section 9G provides for the timing of appeals against compliance notices and emergency action, or a demand for expenses arising from these activities. Section 9H sets out when a compliance notice or demand for expenses becomes operative. Section 9I enables a local authority to charge interest from the operative date of a demand for expenses at a rate fixed by the authority. The local authority can register these debts as a local land charge against the site.

2017 review of park homes legislation

The Government's 2017 review of park homes legislation found local authorities face several barriers when taking enforcement action, including a lack of dedicated resource and legal expertise. Overall, residents and site owners considered that local authorities had not used their new enforcement powers sufficiently. The review also revealed some authorities had yet to publish a licensing fee policy, and there had been little sharing of good practice on enforcement. The Government set out proposals to:

- Engage with local authorities, including through the Chartered Institute
 of Environmental Health (CIEH) and the Site Licensing Officers' forum, to
 support them in raising awareness among local authorities about their
 existing powers, developing and sharing best practice on enforcement
 and for dealing with harassment cases.
- Support good site owners by engaging with the trade bodies and the Department for Business, Energy and Industrial Strategy (BEIS) to set up a Primary Authority⁷³ to work with the trade bodies and provide expert advice to local authorities on licensing issues.⁷⁴

The 2017 review also highlighted difficulties in taking enforcement action against park home site owners who manage their sites using complex ownership structures and management arrangements. The Government intends to bring forward legislation "to simplify the complex and opaque company structures used by some rogue site owners to limit a resident's security of tenure and avoid liability for any enforcement action".⁷⁵

The Government's response explains that 'Primary Authority' is a statutory scheme that allows an eligible business to form a legally recognised partnership with a single local authority in relation to regulatory compliance. This local authority is then known as its 'primary authority'. It is a means for individual businesses or their trade body to receive assured and tailored advice through a single point of contact.

MHCLG, <u>Review of park homes legislation: government response</u>, 22 October 2018, paras 23-28

MHCLG, <u>Review of park homes legislation: government response</u>, 22 October 2018, para 22

Fit and proper person test

Background

There have been repeated calls from mobile home owners for the introduction of a requirement that site owners/operators demonstrate that they are "fit and proper persons." As previously noted, the Labour Government announced an intention to insert a "fit and proper person" requirement into a new site licensing regime in March 2010. The proposal was supported by "a majority of consultees."⁷⁶ Labour's proposals were not implemented prior to the 2010 General Election.

The context within which the "fit and proper person" issue has arisen is one where certain site operators have acted aggressively and/or in an intimidating manner towards residents. The CLG Select Committee's report quoted evidence of harassment from the Park Home Owners Justice Committee."

Parallels were drawn between the requirement on licence holders of certain Houses in Multiple Occupation (HMOS) to meet a "fit and proper person" test under the Housing Act 2004.⁷⁸

When giving evidence to the Committee's inquiry the Minister for Housing, then Grant Shapps, argued the proposals in A better deal for mobile home owners would achieve the same result as a "fit and proper person" test by driving the worst offenders from the sector. The Committee was not persuaded and concluded "a fit and proper person test could be a useful addition to local authorities' armoury to exclude the worst offenders from owning and managing park home sites." The Committee went on to recommend:

...that the Government bring forward as part of the proposed legislation an enabling power to establish a fit and proper person test, which could be activated through secondary legislation if required.⁷⁹

The <u>Government response to the Committee's report</u> acknowledged the existence of "widespread malpractice" and "a number of criminal operators" but expressed a lack of conviction around the need for a "fit and proper person test."

⁷⁶ CLG, <u>Park homes site licensing reform: The way forward and next steps</u>, March 2010,

House of Commons Communities and Local Government Committee, <u>Park Homes (PDF)</u>, 20 June 2012, HC 177-I 2012-13, para 50

⁷⁸ See section 2.2 of the Commons Library briefing CBP-708 on <u>Houses in multiple occupation (HMOs)</u> England and Wales.

⁷⁹ As above, para 59

MHCLG, <u>Park homes: Government response to the House of Commons Communities and Local Government Select Committee first report of session 2012-13</u>, 1 August 2012, Cm 8424, p10

Changes made by the Mobile Homes Act 2013

The Mobile Homes Act 2013 introduced a new local authority mobile home site licensing regime in England. It was intended that the 2013 Act would raise standards in the industry. Section 8 of the 2013 Act inserted five new sections (12A to 12E) into the CSACD. The provisions gave the Secretary of State regulation making powers to prohibit the use of land as a relevant protected site⁸¹ in England unless the local authority is satisfied that the site owner or manager is a fit and proper person to manage the site.

The policy intention behind the inclusion in section 8 of the 2013 Act of enabling powers for imposing the fit and proper person requirement, rather than including such a requirement on the face of the Act, was for it to act as a deterrent to the worst site owners and give the rest of the industry an opportunity to demonstrate that improvements had been made. 82

2017 review of mobile (park) homes legislation

Following the 2017 review of mobile homes legislation, the Government concluded a fit and proper person test would be a useful addition to local authorities' existing powers to help remove rogue site owners from the sector. A commitment was made to legislate to this effect.⁸³

The 'fit and proper person' regulations 2020

The Government carried out <u>a technical consultation on a fit and proper</u> person test for park home sites between 22 July and 17 September 2019. The <u>Government's response</u> was published in July 2020.⁸⁴

The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 were made on 23 September 2020. The Regulations prohibit the use of land as a residential mobile home site unless the local authority is satisfied that the owner or manager of the site is a fit and proper person to manage the site.⁸⁵

The Regulations also make related provision as to:

A "relevant protected site" is defined in section 5A(5) of the Caravan Sites and Control of Development Act 1960. The term is used for caravan sites for which a site licence is required under the 1960 Act and on which year-round residential occupation is allowed. These are mainly mobile home sites known as "park home" sites but also include owner occupied sites, such as those with planning permission for use by the Gypsy and Traveller communities. It does not include sites operated by a local authority or any other caravan site that does not require a licence under the Caravan Sites and Control of Development Act 1960.

Explanatory Memorandum to The Mobile Homes (Requirement for manager of site to be fit and proper person) (England) Regulations 2020 (SI 2020/1034), para 6.3

⁸³ MHCLG, Review of park homes legislation: government response, 22 October 2018, paras 32-34

⁸⁴ MHCLG, Mobile homes: a fit and proper person test - government response, 8 July 2020

The Regulations apply in relation to all relevant protected sites other than non-commercial family-occupied sites. These include both "residential parks", which are used exclusively residentially, and "mixed use parks", which are used for both residential and holiday purposes.

- matters to be taken into account by local authorities in making a fit and proper person assessment;
- the establishment of a fit and proper person register;
- the procedure for application for inclusion on the register; and
- enforcement, including the creation of criminal offences.

Site licence holders were required to apply either on behalf of themselves or their appointed site manager to the relevant local authority for inclusion on a fit and proper person register by 1 October 2021.

The Government published non-statutory guidance for local authorities on implementing the fit and proper person test in June 2021.⁸⁶

3.10 Dispute resolution

DCLG issued a consultation paper, A new approach for resolving disputes and to proceedings relating to Park Homes under the Mobile Homes Act 1983 (as amended) (PDF), in May 2008. The Labour Government's response to comments received was published alongside the May 2009 consultation paper on site licensing. ⁸⁷ The Minister announced an intention to transfer jurisdiction on appeals and applications under the 1983 Act from county courts to Residential Property Tribunals (RPTs):

The aim of the transfer of the jurisdiction is to provide residents of mobile homes (including caravans) and the owners of sites on which they are located with a level playing field in the resolution of disputes, by providing access to a dedicated, low-cost specialist (housing) tribunal, which can deal with cases quickly and without the parties needing to be legally represented.⁸⁸

This paper also included a short consultation on additional measures to protect residents subject to proceedings in relation to the termination of their agreements (see section 3.11).

In a written ministerial statement issued on 16 December 2009, the Minister announced that, subject to Parliamentary consent, the Residential Property Tribunal's new jurisdiction would come into force on 6 April 2010. ⁸⁹ This consent was not obtained prior to the dissolution of Parliament for the General Election however, on 14 July 2010 the new Housing Minister, Grant Shapps, said he proposed to lay before Parliament the necessary secondary legislation to effect the transfer as soon as possible after the summer recess,

MHCLG, <u>New measures to better protect mobile home residents</u>, 4 June 2021

⁸⁷ CLG, Dispute resolution under the Mobile Homes Act 1983 (as amended): Summary of responses and further consultation, 12 May 2009

⁸⁸ HC Deb 12 May 2009 cc43-4WS

⁸⁹ HC Deb 16 December 2009 cc135-6WS

with a view to transferring jurisdiction to the Residential Property Tribunals by the end of the year.⁹⁰

The Mobile Homes Act 1983 (Jurisdiction of Residential Property Tribunals) (England) Order 2011 came into force on 30 April 2011. This Order transferred dispute resolution and other proceedings under the Mobile Homes Act 1983 from the county courts to Residential Property Tribunals. ⁹¹ The only exception to this is in relation to applications to terminate an agreement (see section 3.11) – these remain within the jurisdiction of the county courts.

RPTs have now been abolished in England – the 2013 Act contains references to them as the Property Chamber of the First-Tier Tribunal had not been established at that point. The Property Chamber was established on 1 July 2013 when the Transfer of Tribunal Functions Order 2013 transferred (amongst other things) the functions of RPTs into the unified tribunal structure. The Transfer of Tribunal Functions (Mobile Homes Act 2013 and Miscellaneous Amendments) Order 2014 transferred functions subsequently conferred on RPTs by the 2013 Act as from 18 July 2014.

3.11 Termination of agreements

Mobile home owners on sites covered by the 1983 Act have a right to live in their home on the site indefinitely unless the agreement is validly terminated by one of the parties, or if the site owner's interest in the land is insufficient to enable him/her to grant the right for an indefinite period, or if there is only limited planning permission to use the land as a protected site. In the latter case, the agreement will only last as long as either the owner's interest in the land or the planning permission.

One of the grounds on which a site owner could apply to court to end an agreement with a park home owner was where, having regard to its age and condition, the mobile home was having a detrimental effect on the amenity of the site or was likely to have such an effect before the end of the next relevant period. The Park Homes Working Group (1998) recommended the "age" criterion be deleted and that the "condition" criterion should only apply to the exterior of the home.

Section 207(2) of the Housing Act 2004 removed the age of a mobile home as a relevant factor for the termination of an agreement. A site owner may still apply to court to end an agreement on the basis that the condition of a home is having a detrimental effect on the amenity of the site or is likely to have such an effect in the next five years. Section 207(2) also gave discretion to the court to adjourn termination proceedings to give the occupier time to effect

⁹⁰ HC Deb 14 July 2010 c2WS

A new procedure and fees regime for RPTs was established by the Residential Property Tribunal Procedures and Fees (England) Regulations 2011.

⁹² Schedule 1(1)(5) of the 1983 Act

repairs if this would be reasonably practicable, and if the occupier has indicated that s/he is willing to carry out those repairs.

In the July 2004 consultation paper, <u>Park Homes Statutory Instruments:</u> consultation on implied terms and written statements, the ODPM set out proposals to amend the terms implied into written statements by the 1983 Act. In relation to the termination of agreements there were proposals to:

Permit site owners to terminate agreements only because the current condition of the home is having a detrimental effect on the amenity of the site without reference to five year 'relevant periods'.

And:

Permit site owners to terminate agreements because the home is no longer the occupier's only or main residence only if the court considers it reasonable to do so.

The Mobile Homes Act (Amendment of Schedule 1) (England) Order 2006, which came into force on 1 October 2006, implemented these changes.

The May 2009 paper, <u>Dispute resolution under the Mobile Homes Act 1983</u> (as amended): <u>Summary of responses and further consultation</u>, included a short consultation on additional measures to protect residents subject to proceedings in relation to the termination of their agreements. The purpose of this consultation was to seek views on whether the fact-finding role of county courts in termination cases should be transferred to RPTs.

The outcome of this consultation exercise was published in December 2009. Eurther consultation on termination provisions in the Mobile Homes Act 1983 (as amended): government response set out the Government's decision not to transfer the fact-finding role of county courts to RPTs in respect of termination cases involving a breach of an agreement, or a claim that the resident of the park home is no longer occupying it as his only or main residence, but to do so in respect of claims relating to the detrimental condition of the home to the amenity of the site.

The Coalition Government transferred jurisdiction for disputes under the 1983 Act from the county courts to the RPT service from 30 April 2011. 93 It retained the Labour administration's decision not to transfer responsibility for determining applications to terminate an agreement:

The only exception will be applications to terminate an agreement, which will remain within the county courts' jurisdiction. If the ground on which termination is sought is that the home is in disrepair, that fact will, in future, need to be established in the tribunal before the court can be asked whether it is reasonable to terminate the agreement.⁹⁴

The Mobile Homes Act 1983 (Jurisdiction of Residential Property Tribunals) (England) Order 2011

⁹⁴ Sixth Delegated Legislation Committee, 2 March 2011 c4

Note that RPTs were abolished in England in 2013 and references should be treated as references to the First-Tier Tribunal (Property Chamber).

3.12 Residents' associations

The Park Homes Working Group (1998) recommended a procedure be established for recognising residents' associations which meet specified criteria.

The July 2004 consultation paper, <u>Park Homes Statutory Instruments:</u> consultation on implied terms and written statements, contained proposals to amend the terms implied into written statements by the 1983 Act to give occupiers the right to form recognised residents' associations in certain circumstances. The issue of resident consultation and involvement was also raised in the January 2005 consultation document on site licensing.

The Mobile Homes Act (Amendment of Schedule 1) (England) Order 2006, which came into force on 1 October 2006, provides:

That the park owner must acknowledge the residents' association if the criteria is met. A resident's association is regarded as being qualifying if:

- It represents the residents on the park who own their home.
- At least 50% of residents are members.
- It has a chairman, secretary and treasurer.
- Decisions of the association are taken by vote, with one vote per home.
- It is independent from the park owner, whose agents and employees are excluded from membership, even if they are park residents.

In calculating the percentage of residents, each home is considered as having 1 occupant. If there is more than one occupant then the first name on the written agreement is used. 95

The restriction to one vote per home was raised during the debate on the Draft Mobile Homes Act 1983 (Amendment of Schedule 1) (England) Order 2006 on 22 June 2006:

If only one person in each home is allowed voting rights - it will be the stronger person, which is usually, but not necessarily, the man - the woman's rights will, again, be put aside. I simply ask the Minister to consider that.⁹⁶

The Minister responded:

⁹⁵ DCLG, Park Homes Factsheet: Consolidated Implied Terms (PDF), August 2006

⁹⁶ SC Deb 22 June 2006 c7

Only one occupier is counted per caravan for the residents' association. That is standard practice in residents' association membership, and similar provisions are made in other areas of the housing sector. For the purposes of percentages needed to form a residents' association under the clauses, we think that it is appropriate for the relevant unit to be the mobile home rather than the number of people in it.⁹⁷

Further information can be found in the DCLG factsheet <u>Park home qualifying</u> <u>residents' associations</u> (November 2012).

3.13 Sale of utilities

Some mobile home owners pay their utility bills directly to their supplier, or as part of their pitch fee. However, it is common for the account to be in the site owner's name, with the energy or water re-sold to residents on a pro-rata basis.

The Mobile Homes Act (Amendment of Schedule 1) (England) Order 2006, which came into force on 1 October 2006, provides that a site owner, if requested by an occupier, shall provide documentary evidence in support and explanation of any charges for gas, electricity, water, sewerage or other services payable by the occupier to the owner under the written agreement. In addition, the owner is responsible for maintaining the supply of these services.

The amount that a site owner can charge a mobile home owner for electricity, gas and water is regulated:

The Office of the Gas and Electricity Markets (Ofgem) sets the amount the park owner can charge you for gas and electricity.

The park owner cannot charge you more for gas and electricity than they paid for it, including any connection charges.

For water, the park owner can only charge what the water company charges and a reasonable administration fee.

Charges for LPG are not regulated.98

Further information on utility charges is available from Park Home Living: <u>Utility charges on residential park homes</u> (September 2020) and LEASE Park Homes: <u>Utility charges explained</u> (September 2014).

In 2022, the Government introduced new energy bill support schemes to help households with rising energy prices. It has legislated to ensure third party intermediaries pass on benefits to end users. The Commons Library briefing

⁹⁷ As above, c16

⁹⁸ GOV.UK, Park (mobile) homes: Charges (accessed on 31 August 2023)

on <u>Constituency casework: Government support for energy bills</u> provides further information.

The Park Homes Working Group 2015 considered utilities issues and made the following recommendations:

- The Department for Communities and Local Government (DCLG)⁹⁹ should investigate further the funding implications of having water and electricity meters fitted for every park home.¹⁰⁰
- DCLG should work with the Department of Energy and Climate Change¹⁰¹ to investigate how the cost of LPG is made up and how the market can be made to work better on park home sites.¹⁰²

Some park home owners may be eligible for <u>assistance with installing energy</u> efficiency measures.¹⁰³

3.14 Harassment and illegal eviction

The Park Homes Working Group 1998 recommended amendment of the Caravan Sites Act 1968 to follow the terms of the legislation giving protection against harassment and illegal eviction to private rented tenants.

Section 210(2) of the Housing Act 2004 amended the 1968 Act to give mobile home owners equivalent protection to that given to tenants in conventional housing against harassment and unlawful eviction:

Also we have increased the protection of occupiers of park homes against harassment and illegal eviction. The Act amends the Caravan Sites Act 1968 to mirror the Protection from Eviction Act 1977, the legislation which governs the protection given to occupiers of conventional housing against unlawful eviction and harassment.

The wording relating to the existing offence, where a site owner does "acts calculated to interfere with the peace or comfort" of the occupier which cause him to abandon his home, has been relaxed to "acts likely to interfere" with such peace or comfort, which is obviously an easier test to satisfy. A new offence has been introduced which does not require "intent" with regard to the harassing actions - it will be sufficient if the site owner or agent knows (or has reasonable cause to believe) that his conduct is likely to result in an occupier abandoning occupation.

⁹⁹ Now the Department for Levelling Up, Housing and Communities.

DCLG, Appendix A: Park Homes Working Group Report: June 2016 (PDF), para 45

¹⁰¹ Now the Department for Business, Energy & Industrial Strategy.

¹⁰² As above, para 49

¹⁰³ PQ 145989 [on Energy: Park Homes], 1 April 2022

This will increase the protection available to occupiers and the chances of successful prosecutions. 104

Section 12 of the Mobile Homes Act 2013 (with effect from 26 May 2013) removed "persistently" from subsection 3(1)(c) in relation to sites in England so an offence will be committed if a person withdraws or withholds services or facilities reasonably required for occupation of the mobile home as a residence on the site. The Act also inserted a new offence into section 3 to provide that a site owner in England, or his/her agent, will commit an offence if, during the subsistence of a residential contract, they knowingly or recklessly provide information or makes a representation to a person which is false or misleading in a material respect. The owner/agent must know or have reasonable cause to believe that such a course of action is likely to cause the home owner to abandon their home or remove it from the site, or fail to exercise their rights in relation to this; or that taking the action is likely to cause a prospective purchaser to terminate their interest. The penalty on summary conviction is a level 5 fine on the standard scale, six months imprisonment or both and on indictment, a fine, two years imprisonment or both.

Section 13 of the 2013 Act increased the level of penalties payable for certain offences under the 1960 Act. Section 13 was brought into force on 1 April 2014 by the Mobile Homes Act 2013 (Commencement and Saving Provision) (England) Order 2014. Section 14 of the 2013 Act inserted a new section 26A into the CSCDA which mirrors a provision in section 14 of the Caravan Sites Act 1968. The section provides that where a body corporate commits an offence under the CSCDA, and it is established that the offence was committed with the consent or connivance of an officer of the body corporate, or was attributable to neglect on the part of this person, then they will be guilty of an offence in addition to the body corporate.

Section 14 was brought into force on 1 April 2014 by the <u>Mobile Homes Act 2013</u> (Commencement and Saving Provision) (England) Order 2014.

3.15 Model standards

The Model Standards specify the layout and provision of facilities, services, and equipment for mobile home sites. They also set out what conditions, if any, a local authority may attach to a site licence and indicate the standards the authority should have regard to in issuing a licence. Section 5(6) of the Caravan Sites and Control of Development Act 1960 provides the Secretary of State with a power to specify these Model Standards "from time to time."

The Park Homes Working Group 1998 recommended the Government should consider whether to amend the Model Standards to include additional terms. In response, the Labour Government said there was a plan to commission

¹⁰⁴ Housing Act 2004 Factsheet 9: Park Homes

research to inform this process. The Government did not think, subject to the outcome of the research, that "fundamental changes are likely to be necessary" but noted, at a minimum, "the Standards need to reflect current recognised best practice on the provision of services such as gas, electricity, water supply, drainage, sewerage and flood protection." 105

A consultation paper entitled <u>Revising the Model Standards for Park Homes:</u> <u>Consultation paper on revised standards and guidance</u> was published by the ODPM on 16 December 2005. The new <u>Model Standards (PDF)</u>, which replaced those issued in 1989, were published by DCLG in April 2008.

When issuing any new licences or reviewing existing licences local authorities must have regard to the 2008 Standards in setting or varying any of the conditions attached.

3.16 Repairs and maintenance

Section 3.5 of this paper explains that there are already implied terms in relation to responsibilities for repairs and maintenance on the site operator and home owner. A better deal for mobile home owners noted the difference between "repairs" and "improvements" is not always understood. Since 2006 site operators have only been able to recover the cost of improvements through pitch fee increases, subject to consultation with home owners.

The Government proposed to clarify the site operator's obligation to keep the site in a good state of repair by maintaining and repairing:

- (a) the base on which the home is stationed;
- (b) any pipes, conduits, wires, structures, tanks or other equipment provided by the site operator in connection with the provision of water, electricity or gas or for the supply of sanitary facilities to the site, pitch or mobile home;
- (c) all parts of the site that are under the control of the site operator and not within the repairing liability of a home owner, including access ways, street furniture and lighting, boundary fences, buildings in common use, drains and the drainage system and any open spaces or facilities in common use and to keep the same in a clean and tidy condition;
- (d) any out house to which the pitch agreement relates;
- (e) any trees, hedges or shrubs on the site and in the pitch (which have not been planted by the home owner or a predecessor in title or assignee), and ensuring that the supply of gas, electricity or water to a pitch, out house or the home is maintained to a satisfactory standard (if the site operator is responsible for the supply).¹⁰⁶

DTLR, <u>Government Response to the Recommendations of the Park Homes Working Party</u>, November 2001, p23

DCLG, <u>A better deal for mobile home owners</u>, April 2012, p19

The consultation paper also proposed to clarify the definition of an improvement.¹⁰⁷ Following the consultation exercise, the Government decided that "the priority for reform is not the law around repairs and improvements, but the transparency of pitch fee reviews."¹⁰⁸

3.17 Damages and compensation

A better deal for mobile home owners proposed that where someone incurred a loss or expenses as a result of a breach of contract, or a duty under the 1983 Act, they will, in all circumstances, be entitled to damages and/or compensation from the party at fault. An application for damages/compensation would be made in the first instance to a First-Tier Tribunal (and enforced in the courts). 109 Following consultation the Government decided there was no need to legislate in this area:

The Government agrees that the Residential Property Tribunal has a power to award damages and compensation and although they rarely do so, they have awarded compensation in some sale blocking cases. Any doubts over whether this power was effective have been resolved by amendments to the legislation in 2006. We are, therefore, satisfied that there is no need for further legislation.¹¹⁰

¹⁰⁷ As above, p20

DCLG, <u>Summary of consultation responses and next steps</u>, October 2012

DCLG, <u>A better deal for mobile home owners</u>, April 2012, p23

DCLG, <u>Summary of consultation responses and next steps</u>, October 2012

4 Wales, Scotland and Northern Ireland

The Mobile Homes Act 1983 and the Caravan Sites and Control of Development Act 1960 extend to England, Wales and Scotland. The Caravan Sites Act 1968 extends to England and Wales while parts also extend to Scotland. Thus, the provisions in these Acts have formed the basis for mobile home owners' rights on residential sites across most of the UK.

Housing policy is a devolved matter. Wales, Scotland and Northern Ireland have now all introduced specific legislation in respect of mobile home sites in recent years.

4.1 Wales

The Welsh Government has acted from time to time to incorporate amendments to the Mobile Homes Act 1983 to ensure that they also apply in Wales. For example, <u>The Mobile Homes Act 1983 (Amendment of Schedule 1 and Consequential Amendments) Wales Order 2013 (2013/1723)</u> (W 167) extended security of tenure under the Act to Gypsy and Traveller sites.

The May 2009 consultation Park Home Site licensing - Improving the Management of Residential Park Home Sites: Consultation (PDF) was a joint UK/Welsh Government process. The response, Park homes site licensing reform: The way forward and next steps (March 2010), was also a joint paper. In December 2011 the Welsh Government set out its own proposals for the sector in Meeting the Housing Challenge: building a consensus for action (December 2011). A subsequent White Paper (May 2012) highlighted the need to modernise the legislation governing mobile home sites.

Also in May 2012 Welsh Assembly Member, Peter Black, took forward his own Regulated Mobile Homes Sites (Wales) Bill. This Bill became the Mobile Homes (Wales) Act 2013 which gained Royal Assent on 4 November 2013. Some of the Act's provisions were brought into force on 7 January 2014 by the Mobile Homes (Wales) Act 2013 (Commencement, Transitional and Savings Provisions) Order 2014 - other provisions were brought into force on 1 October 2014. The stated purpose was to establish a licensing regime for mobile home sites in Wales and to make further provision in relation to the management of such sites and the agreements under which mobile homes are stationed on them.

On 5 June 2018, following a <u>public consultation on commission fees on the</u> <u>sale of park homes</u>, the Minister for Housing and Regeneration announced the decision to lower the commission rate by 1 percentage point per year, over a

5-year period, until it reaches a maximum of 5% of the purchase price. The Welsh Government subsequently launched a further <u>consultation</u> on how best to implement the reduction.¹¹¹ The consultation closed on 14 December 2018; a <u>summary of responses</u> was published on 4 March 2019.¹¹²

In January 2019, on the application of the British Holiday and Home Parks Association and a park owner, the Administrative Court for Wales gave permission for a Judicial Review of the Welsh Government's decision to reduce the rate of commission. The Welsh Government undertook not to introduce any changes to the maximum commission rate until the Judicial Review was complete.¹¹³

On 27 March 2019, the Minister for Housing and Local Government, then Julie James, issued a <u>written statement</u> on implementing changes to the park homes commission rate. In the statement, the Minister confirmed the proposed reduction would not go ahead at that time. Instead, she said the matter would be considered afresh, following further engagement with the sector, and she was minded to commission further research. In light of other pressures, the Welsh Government has postponed work on gathering evidence on the 10% commission rate.¹¹⁴

A separate Commons Library briefing on <u>Mobile (park homes): 10%</u> commission on sales provides further information on the commission charge in Wales.

The Welsh Government has published a range of guides on the law relating to park homes.

The Senedd Research Service has published a research briefing on <u>Park Homes in Wales</u> (last updated May 2021) which provides further information on policy in Wales.

4.2 Scotland

According to the Scottish Government:

There are 92 residential mobile home sites across Scotland in 22 local authority areas, however more than half of the sites are concentrated to six areas. Our

The Welsh Government, Implementing changes to the park home commission rate - Consultation on the Mobile Homes (Selling and Gifting) (Amendment) (Wales) Regulations 2019, 26 September 2019

Welsh Government, Implementing changes to the park home commission rate: Consultation – summary of responses, WG37216, 4 March 2019

Senedd Research, <u>Park Homes in Wales: Research Briefing</u>, May 2019, p2

¹¹⁴ WQ87465, 21 February 2023

research shows that many park home sites are well run, but some fall short of the standards residents expect. 115

In 2011, the Scottish Government consulted on proposals to amend the implied terms in the Mobile Homes Act 1983. The Scottish Government introduced legislation to update the implied terms on 1 September 2013. The Mobile Homes Act 1983 (Amendment of Schedule 1) (Scotland) Order 2013 gave mobile park home residents a right to enjoy their home without unnecessary interference and abolished the need to have a site owner's approval before a permanent park home resident can sell their mobile home.

The Scottish Government leaflet - <u>A Guide for Mobile Home Owners in Scotland: Your Rights and Responsibilities (August 2013)</u> – summarises the changes to residents' implied terms.

The <u>Housing (Scotland) Act 2014</u> established the framework for a new, robust, licensing system for residential mobile home sites. The site licensing system, which commenced on 1 May 2017:

- introduced a 5-year licence period (the previous system allowed a licence to last indefinitely);
- gave local authorities a range of powers to help them issue, manage, and revoke site licences;
- introduced a requirement that a site licence holder (and anyone directly managing a site) is a fit and proper person;
- created a process for site owners and site licence applicants to appeal against decisions by the local authority.¹¹⁷

The requirement for sites to have a licence came into force in May 2019. Anyone operating a residential mobile home site without a site licence can be fined up to £50,000.

The Scottish Government issued guidance to local authorities¹¹⁸ and information for residents¹¹⁹ on the new site licensing system.

In Spring 2021, the <u>Local Government and Communities Committee gathered</u> evidence on issues relating to the licencing of residential mobile home sites. Stakeholders reported several concerns, centred on the rules for and

Scottish Government webpage: <u>Residential mobile homes (park homes)</u> (accessed on 31 August 2023)

Scottish Government, Mobile Homes Act 1983 - Amending Implied Terms: Policy Consultation Paper, 24 January 2011 (link no longer available)

Scottish Government, <u>Residential mobile home site licensing</u>: <u>information for residents</u>, 5 February 2019

Scottish Government, <u>Licensing system for mobile home sites with permanent residents: guidance for local authorities</u>, 13 April 2017

Scottish Government, <u>Residential mobile home site licensing</u>: information for residents, 5 February 2019

operation of the fit and proper person test and the enforcement of the licence conditions. The Scottish Government is planning a post implementation review of the residential mobile homes site licencing scheme.¹²⁰

Following a <u>public consultation</u>, the Scottish Government intends to bring forward legislation at the earliest opportunity to change the basis of pitch fee uprating under the Mobile Homes Act 1983 from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) for both existing and future contracts. It also proposes to make a further change to the 1983 Act so that the statistical basis for uprating pitch fees can be amended by secondary rather than primary legislation in the future.¹²¹

The Scottish Government has published a <u>timeline of mobile homes legislation</u> in Scotland.

4.3 Northern Ireland

The rights of mobile home owners on a protected site in Northern Ireland are governed by Part 1 of the <u>Caravans Act (NI) 2011</u>. This Act started its life as a Private Member's Bill which was introduced in the Assembly by John McCallister MLA for South Down. In addition to giving protection to owners who occupy a caravan as their main home, Part II of the Act governs agreements to occupy holiday caravans for over 28 days.

The Act provides that mobile home owners must be provided with a written statement; regulates site fee reviews; and specifies the circumstances in which a site owner can gain entry to the site. Guidance on <u>Site owners and occupiers' obligations</u> can be found on the NIdirect.gov website. There is also a <u>Guide to the Caravans Act (NI) 2011</u>.

The Department for Communities (DfC) has a statutory duty to review the Caravans Act (Northern Ireland) 2011 every 5 years. The 2021 review, which was informed by an online consultation ¹²² and stakeholder forum meetings, concluded that the vast majority of issues or concerns raised had a pathway for resolution under existing legislation or mechanisms already in place. However, it also found that -

... in too many instances caravan owners and residential home owners were not clear enough about the terms contained within their written/seasonal

Letter from the Minister for Zero Carbon Buildings, Active Travel to the Covener of the Local Government, Housing and Planning Committee (PDF), 10 August 2022

Scottish Government, <u>Pitch fee uprating under the Mobile Homes Act 1983 - Proposal to change from</u>
Retail <u>Price Index to Consumer Price Index</u>, updated 21 Jun 2023

Department for Communities, <u>Consultation on the 2021 Review of the Caravans Act (NI) 2011</u>, 14 December 2021

agreements, their rights of recourse if things went wrong, and what terms and conditions they had actually signed up to with their respective site owner.¹²³

Accordingly, the 2021 Review report recommended the DfC produces factsheets that provide a quick reference guide to -

- inform both residential occupiers and site owners of their responsibilities under the Act; and
- provide signposting information on the relevant pathway of recourse should difficulties arise.¹²⁴

Department for Communities, <u>Summary Report - 2021 Review of the Caravans Act (Northern Ireland)</u> 2011, last updated 20 June 2023, para 8.1

Department for Communities, <u>Summary Report - 2021 Review of the Caravans Act (Northern Ireland)</u> 2011, last updated 20 June 2023, section 7.1

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