

Meadowside Pitch Fees – Decision taken under urgency powers

Housing Committee Tuesday, 19 March 2024

Report of: Deputy Chief Executive

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

During the Committee's meeting on Tuesday 23 January 2024 the Housing General Fund budget was presented which included proposals to uplift both pitch fees and garage rents by 7.7% in line with rental increases within the Housing Revenue account. This recommendation was agreed and resolved by the Committee. However, a discussion over the application of RPI and CPI to mobile homes prompted Officers to re-check the legislation relating to mobile homes, which changed part-way through this year's budget process. In 2023, an act was passed switching the cap from RPI to the latest CPI and therefore actual increases will be limited to the latest CPI available that was available on 3rd March 2024.

This report supports the Council's priority of: Building a better Council

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Recommendation to Committee:

That the decision made to limit the pitch fees to the latest CPI available on 3 March 2024 at Meadowside Park under the Council's urgency powers be ratified.

Reason for recommendation:

The pitch fees at Meadowside were resolved at the Committee, held on 23 January 2023. An urgency decision was subsequently required to ensure any increases in pitch fees from April 2024 are compliant with the Mobile Homes (Pitch Fees) Act 2023.

Introduction and background

- 1 During the Committee's meeting on Tuesday 23 January 2024 the Housing General Fund budget was presented which included proposals to uplift both pitch fees and garage rents by 7.7% in line with rental increases within the Housing Revenue Account ('HRA'). This recommendation was agreed and resolved by the Committee. However, a discussion over the application of RPI and CPI to mobile homes prompted Officers to re-check the legislation relating to mobile homes, which changed part-way through this year's budget process. In 2023, an act was passed switching the cap from RPI to the latest CPI and therefore actual increases will be limited to the latest CPI available prior to issuing of fee increase notices.
 - 1.1 The Mobile Homes (Pitch Fees) Act 2023 brought in changes to the inflationary index which is applied to pitch fee increases for protected mobile home sites. The inflationary index changed from the Retail Price Index (RPI) to the lower Consumer Price Index (CPI). The changes apply to all pitch fee review notices served on or after 2 July 2023.
 - 1.2 To resolve this, a decision under urgency powers was requested to ensure compliance with changes to the legislation.
 - 1.3 CPI published on 14 February 2024 was 4%. As this was the latest published CPI figure prior to the issue of fee increase notices a 4% increase has been made to pitch fees from April 2024. This increase is 3.7% lower than that approved at the January Committee. Increases to garage rents will remain at 7.7% as resolved by the Committee in January 2024.
 - 1.4 A prudent approach in the budget was taken, therefore the budget still stands irrespective of the increase. In addition, this reduced increase will have no impact on the services to be provided at Meadowside and to its residents over the course of 2024/25.

Consultation

2. This decision made under urgency powers was done so in consultation with Group Leaders, the Chairman of the Housing Committee and Chief Officers.

Key implications

Comments of the Chief Finance Officer

As noted in the report the change in the percentage increase will be absorbed in the set revenue Budget for 2024/25. The change has no impact on the capital Budgets.

Comments of the Head of Legal Services

Residents who live on fully residential sites are required to pay a pitch fee in line with their pitch agreement, which is a contract between site owner and park home resident. The agreement states the amount of the pitch fee and when it is to be paid. Pitch fees are subject to regular reviews that allow for the amount to be adjusted in line with inflation. The Mobile Homes (Pitch Fees) Act 2023 came into force on 2 July 2023. The Act changes the inflationary index for annual pitch fee reviews from RPI to CPI, allowing the site owner to propose new pitch fees which may increase (or decrease) by no more than the change in CPI since the last review date. Therefore, all future annual reviews will need to be calculated in line with CPI.

Equality

While an increase to pitch fees of 4% may appear substantial for the residents of Meadowside Park, this increase is 3.7% lower than that resolved by the Committee in January 2024. This increase is also 3.7% lower than the increases being made to Council rents and service charges from April 2024.

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

None

Background papers

Housing Committee – 2024/25 Draft General Fund Budget and Medium Term Financial Strategy

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