

NAPHR NEWSLETTER NOVEMBER 2018

GOVERNMENT RESPONSE TO THE REVIEW OF MOBILE HOME LEGISLATION

Dear Member,

In 2013 the Government introduced the Mobile Homes Act 2013 which made changes to Park Home Law with new procedures for residents selling their homes, reviewing pitch fees, making site rules, and a new site licensing regime which gave Local Authorities greater enforcement powers.

Following the introduction of the 2013 Act, the Housing Minister stated that the said Act would be reviewed after 3 years which was carried out in 2017/18. On Monday 22nd October the Housing Minister, Heather Wheeler M.P., published the official response to the Review. The following information is mainly taken from the said Government Response Document after carefully considering the responses to the Call for Evidence. In this newsletter we set out the Governments proposals which are aimed at tackling ongoing abuses identified in the review and raising awareness about rights and responsibilities of residents.

1) Variable Service Charges

The response to the review suggested that most park owners did not have variable charges in addition to the agreed pitch fee. However, where it was used it had a significant impact on residents finances their wellbeing and their health.

The Government wants to ensure that residents only pay for services that they are required to pay for through the pitch fee and will bring forward legislation in due course to amend and clarify the definition of a pitch fee and prevent the use of variable service charges in written agreements when Parliamentary time allows.

2) Rights and Responsibilities

It was also evident that some residents do not seek independent advice before entering into written agreements and are later surprised and distressed to learn of charges that they are liable for. There needs to be more awareness among both existing residents and prospective purchasers of a park home about the statutory framework and rights that apply in the sector.

The Government will work with Stakeholders to explore how messages about resident's rights and responsibilities can disseminated to existing and prospective residents more effectively.

3) Transparency of Ownership

Some Park Owners manage their sites using complex ownership structures and management arrangements. These arrangements reduce a resident's security of tenure and enable a site license holder to avoid liability for local authority enforcement action.

The Government asked for evidence of these complex arrangements and the impact they have on residents and on enforcement authorities.

The Government acknowledges that there are circumstances where a park owner may not be the freeholder of the land for genuine business reasons. However, from the review, it was clear that some ownership and management arrangements were being used to exploit vulnerable residents financially. For example, some site owners established complex ownership arrangements that confuse residents and leads them to pay additional charges. Other residents had been given written agreements by a subsidiary company with a short leasehold interest. This meant that the residents security of tenure was limited as their agreements would end when the company's leasehold interest expired.

In one case the site owner proposed to renew every agreement to increase security of tenure at an additional cost to the residents of £40,000 per home. These practices are unjustifiable and unacceptable particularly where many residents will be pensioners on low incomes and their park home will be the only asset they have. Such arrangements also mean that residents could find themselves in a position where they must leave the site but are unable to sell their home.

All residents should be confident that they have security of tenure and not have to be worried about where to live or what unforeseen financial liabilities they may have in the future. The sector should not provide opportunities for rogue site owners to extract evermore cash from those who may already be on fixed low incomes.

Looking at the responses to the Call for Evidence action is clearly needed to protect residents from such abuses.

The Government will therefore bring forward legislation in due course 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 and enforcement action when Parliamentary time allows.

4) Fit and Proper Person Test

Most residents supported the introduction of a Fit and Proper Person Test as they felt that the 2013 Act had not provided the Local Authority with enough powers and resources to tackle poor management of sites and abuse of

residents. This was not supported by park owners as they thought that Councils had enough powers at their disposal.

The Government accepted that there were good site owners that provided residents with a suitable service and respected their rights and therefore will support those owners through regular engagement with the trade bodies to help improve standards further.

However, the Call for Evidence provided examples of site owners continuing to disregard the law, harass and financially exploit residents. These practices have huge impacts on the finances and health of the most elderly and vulnerable residents in the sector and therefore the Government has concluded that a Fit and Proper Person Test will be useful to Local Authorities already existing powers to help target the worst offenders in the sector.

We will legislate to introduce a Fit and Proper Person Test in due course when Parliamentary time allows.

5) Contractual Arrangements

Part 2 of the Review tested the effectiveness of the new statutory processes and forms introduced by the 2013 Act for selling a park home, site rules and reviewing pitch fees. The main purpose of the new processes for this was to ensure transparency. Several statutory forms were introduced to set out the requirements and give the necessary information to enable residents to make informed decisions, including use of the Tribunal for disputes in the matter. There was however evidence that some residents, site owners, estate agents and solicitors did not understand the procedures and their responsibilities. Concerns were also raised regarding the length of some forms and the processes that Government use to ensure that the system that they have put in place continues to work effectively.

We have therefore set up a working group of representatives from across the sector to explore how messages about legislation can be disseminated more widely and examine how the administrative processes for selling homes, reviewing pitch fees and making site rules could be improved further.

The Working Group consists of representatives from the following organisations: -

Mobile Home Communities and Local Government (MHCLG) Private Rented Sector.

Lease Rented Sector

Age UK

National Association Of Park Home Residents (NAPHR) - Brian Doick

Independent Park Home Advisory Service (IPHAS)

British Holiday and Home Park Association
The National Caravan Council
Local Authority Licensing Officers
The Chairperson will be Emma Garrett who is head of the Enforcement Team

The Working Group has met once, and it was decided that further meetings will take place every six weeks where possible.

We at NAPHR see this response by Government to the evidence before them as being very positive and when the legislation comes into force it will be a big step forward and will enable all residents to have a better and more secure tenure of their park home living.

6) **Pitch Fee Review/Inflationary Index RPI/CPI**

The Government has considered all the arguments put forward in this matter and as such the UK Statistical Authority have cancelled RPI as a National Statistic.

The Government will introduce legislation in due course to change the Pitch Fee Review Index from RPI to CPI when Parliamentary time allows.

NAPHR will inform you when this change take place and applies to you all.

7) **Local Authorities**

Government will engage with the Local Authorities through the Chartered Institute of Environmental Health and the Site Licensing Officers Forum to support them in raising awareness among Local Authorities about their existing powers and sharing and developing best practice on enforcement for dealing with harassment cases.

8) **Commission on Sales of Homes**

The Government will commission research to gather relevant data to enable a detailed assessment of the likely impact of a change from the 10% commission on sales to site owners.

9) **Written Statement**

Finally, your Written Statement (Agreement) that you have cannot be changed or replaced by the Park Owner unless you agree.

We recommend that you do not accept or sign for any re-placement Agreement unless you obtain advice from us or a legal body.

New Advisory Member

I would like to inform you that we have a new Advisory Member who is not a member of our committee due to other commitments. He is a volunteer in his spare time who will assist us by dealing with enquiries by telephone relating to the West Country Area. He is Mr Steve Butcher who can be contacted on 01395 239982

With Regards
Brian Doick

A message from your membership secretary

It has been almost a year since I took over as membership secretary after Jim Winchester retired and what a busy year it has been! I have really enjoyed meeting and chatting with you and I would like to thank you all for the support you have given me.

Our new administration systems are proving to be very efficient and the difficulties that were first encountered are now few and far between.

However, there are still some issues that you can help me with.

Please destroy any old stationery. renewal cards and introduce a new member cards that were issued by Jim. The new forms which are General Data Protection Regulation compliant (GDPR) ensure that all your details are up to date and accurate. Please do not post anything at all to the address in Wales as all correspondence that relates to membership should be addressed to me.

We are now able to offer the payment of membership fees by bank transfer the details are as follows: -

Sort Code 30 90 89

Account No 35511568

If you prefer to pay by this method, please ensure that you put your name and park or post code on the transfer details to enable me to identify your payment more easily. Please don't hesitate to contact me if you have any membership queries. If you need to leave a message on my answer phone, please remember to leave your phone number.

Kind Regards
Beryl

Lifesure

Your park home is precious. Insure it with people who care.

We know that life as a park home resident isn't always plain-sailing. However, Lifesure is working with NAPHR to give you one less thing to worry about; insurance that protects your home.

By working with the very best insurers in the business, we can offer policies that give you the right level of cover just when you need it most. This includes legal expenses cover for disputes with your site owner and as a NAPHR member, there's no excess to pay if you make a claim on your buildings and contents insurance.

By choosing us, you'll benefit from our many years of experience with a team on hand to answer any questions or queries you may have. For more information, call us on 01480 402 460.

*No excess applies to all claims other than claims for any damage or loss caused by escape of water or oil and claims for subsidence, heave or landslip. The no excess benefit applies to any policy holder with a valid NAPHR membership, details of which must be provided at the time of the claim