



Department for Levelling Up,
Housing & Communities

**Department for Levelling Up, Housing and
Communities**

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Dear park home resident,

The Government committed to introduce legislation to change the inflationary index used in pitch fee reviews from the Retail Price Index (RPI) to the lower Consumer Price Index (CPI).

I am writing to inform you that the change will be introduced by the Mobile Homes (Pitch Fees) Act 2023, when it comes into force on 2 July 2023.

What this means for you as a park home resident is that on and from 2 July 2023;

- the inflationary index to be used by site owners in all pitch fee reviews will be the Consumer Price Index (CPI).
- Residents should check the pitch fee review form to ensure that CPI has been used in the calculation of the proposed pitch fee.
- If a site owner uses RPI in the calculation of the pitch fee from that day, the pitch fee review will be invalid and the resident does not have to pay the proposed increase. They must however continue to pay the old fee until the First Tier Tribunal makes a determination.
- A site owner cannot also pass on to residents through the pitch fee, any amount to compensate them for any financial loss arising from the change.

What happens next

- Pitch fee reviews will continue as normal. This means that in any review which is started between now and 2 July 2023, the site owner can use RPI in the calculation of the proposed pitch fee.
- Regulations will shortly be made to change all references in the current pitch fee review form, from RPI to CPI. The consolidated implied terms will also be updated to reflect those changes. The revised pitch fee review form and the consolidated implied terms will be published on GOV.UK website on 2 July 2023.

Attached to this letter are questions and answers regarding the changes which I hope you will find helpful. If you require further advice on the proposed changes or your rights, you can contact LEASE, the free independent service on telephone 020 7832 2525 or through their website at <https://parkhomes.lease-advice.org/>.

Yours sincerely

William Tandoh
Park Homes Policy Team

Q & As - Mobile Homes (Pitch Fees) Act 2013

Q: What changes will the Act introduce?

- The Act will:
 - change the inflationary index used in pitch fee reviews from the RPI to CPI;
 - prevent the difference between RPI and CPI from being passed on to residents

Q: When will the changes come into effect?

- The Act will come into force on 2 July 2023. On or after that date, CPI must be used in all pitch fee reviews.

Q: Will site owners be permitted to pass on any loss of income as a result of the changes, to residents through the pitch fee?

- No. Site owners cannot pass on any loss of income as a result of the changes, to residents.

Q: How can residents be sure the site owner has not passed on any lost income through the pitch fee?

- To conduct a pitch fee review, a site owner is required to use a pitch fee review form which must show how the pitch fee has been calculated.
- Before agreeing to the proposed pitch fee, residents should check the form carefully and read the notes attached to the form, to ensure that only matters that can be taken into account in a pitch fee review have been used in the calculation.

Q: What should I do if such an amount has been included in the calculation of the pitch fee?

- If an amount representing a loss of income to the site owner as a result of the changes is included in the calculation, the resident does not have to pay it. The resident must however continue to pay the old pitch fee.
- The site owner can then apply to the First Tier Tribunal to seek its determination of the pitch fee.
- If the First-tier Tribunal determines that a site owner has included an amount in the pitch fee to compensate them for the financial loss arising from the RPI/CPI change, it will deem the amount to be unreasonable and remove the relevant amount from the pitch fee.

Q: If a pitch fee review notice is issued before the Act comes into force, will the site owner have to issue another notice to take account of the change?

- No, the site owner will not have to issue another pitch fee review notice if they issue one before the Act comes into force.
- Pitch fee reviews which started before 2 July, will use RPI in the calculation of the proposed pitch fee. At the next pitch fee review, the site owner will have to use CPI.

Q: When must a site owner start using CPI in a pitch fee review?

- If a pitch fee review notice is issued before 2 July, the site owner will calculate the proposed pitch fee using RPI.
- If the pitch fee review notice is issued on or after 2 July 2023, the site owner must use CPI to calculate the proposed pitch fee.
- They must also use the updated pitch fee review form which refers to CPI instead of RPI. The form will be published on GOV.UK on 2 July 2023.
- If a site owner uses the old form, the pitch fee review will be invalid and the resident does not have to pay the proposed pitch fee.

Q: What changes will be made to the pitch fee review form?

- First, all references to RPI in the form will change to CPI.
- Second, the form will be 6 pages instead of the previous 8 pages.
- Third, in the notes on page 5 under the section titled '*Matters that cannot be included in a pitch fee review*', there will be an additional bullet point which makes clear that any costs relating to any financial loss arising from the change from RPI to CPI, cannot be included in a pitch fee review.

Q: Does my site owner have to give me a copy of the updated consolidated implied terms?

- No, your site owner does not have to give you a copy of the updated implied terms.
- The implied terms will be published on 2 July 2023 on GOV.UK and will automatically apply to all written agreements.

Q: Should my site owner give me a new written agreement as a result of the changes from RPI to CPI?

- No, your site owner does not have to give you a new agreement.
- If your site owner gives or offers you a new written agreement, do not sign or accept it.

- If you need any advice about your rights you can contact LEASE on telephone 020 7832 2525 or through their website at <https://parkhomes.lease-advice.org/>.