

## **Pitch Fees**

### **Questions and Answers**

#### **What is a Pitch Fee?**

It is a charge for keeping the Park Home on a site.

#### **How is this charged?**

It is set out in the written agreement between the site owner and the occupier. The terms set out the amount of the pitch fee and when it is payable.

#### **Q/ Does the pitch fee include utilities?**

The Pitch Fee does not usually include utilities unless specifically stated in the agreement.

#### **What does a site owner need to do if they want to increase a pitch fee?**

They must serve a written notice on the occupier, setting out the proposals, as well as a Pitch Fee Review Notice.

#### **What is a Pitch Fee Review Form?**

It is a form that has been prescribed by Parliament to use when reviewing pitch fees. It is eight pages long and lays out how the fee has been calculated. It also provides detailed explanatory notes.

#### **Can the Pitch Fee change?**

Yes, it can be reviewed annually, on or after the review date. The review date is provided in the occupier's agreement.

#### **Is the service of a Pitch Fee Review Form necessary?**

Yes, and it must be served on an occupier to be effective. If the Pitch Fee Review Form is not served, it will **not** be possible for the Site Owner to increase the pitch fee.

#### **When must the written notice and Pitch Fee Review Form be served?**

They must be served at least 28 days before the review. Therefore, if the review date is 1 April, they should be served by 4 March. The review does not have to be on the review date. A late review can take place at any time after the review date, provided notice is served 28 days ahead of the review.

For example if the review date is 1 April, the review could instead occur on 1 July, provided notice is served by 4 June.

### **Does a late review change the review date for next year?**

No, the date of the new review will not be changed. In the example above, if the review is on 1 July due to late service of the Pitch Fee Review Form, the next review will still be on 1 April the next year.

### **How is the Pitch Fee calculated?**

The Retail Prices Index adjustment is applied to a pitch fee review. It is calculated by using the last figure that was published, 28 days before the review date. For example if the review date is 1 April, 2014, the latest figure prior to 4 March will be used.

Note that this can mean old RPI figures are used if the review is late. In our example, if the review is done on 1 July, then the figure used will still be the one from 4 March (28 days before the review date of 1 April).

### **Could the site owner claim for costs of improvements to the site as part of the increased pitch fee?**

It may be possible that the costs of improvements be added to a proposed increase. However, the site owner can only recover the costs if certain conditions have been met, as follows:

- Consultation on improvements to the site.
- Consultation with any qualifying residents' association of the site on matters relating to the operation and management of the site, and how it may affect the occupiers.
- Before any improvements are carried out, the site owner must also take into account any representations received from the occupiers. They cannot start any work if the majority of the occupiers have disagreed to the works in writing.

All these conditions have to be satisfied before an increase can be made.

### **Is a deduction from the pitch fee possible if the condition of the site has deteriorated or if there has been a reduction in services?**

A deduction may be made only if the deterioration or reduction has occurred since 26 May 2013 and has not been taken into account in a previous pitch fee review.

### **What else can be included in the pitch fee review?**

The pitch fee can be increased due to a change in the law, which has directly affected the cost of the maintenance of the site.

From 1 April 2014, it will be possible for local authorities to charge for a site licence annually. The annual licence fee may be recovered through the pitch fee. This is a one-time, permanent addition to the pitch fee. It cannot be added to the review again in future years for further permanent additions.

### **What cannot be taken into account in the pitch fee review?**

Any legal costs incurred in preparing the Pitch Fee Review Form cannot be included, as well as costs incurred resulting from local authority enforcement action, altering the site licence or consenting to licence, expanding the site and costs incurred in proceedings under the Mobile Homes Act 1983.

### **What happens if the occupier disagrees with the pitch fee?**

If the matter cannot be satisfactorily resolved with the site owner, it will be possible to appeal to the First-tier Tribunal (Property Chamber). If the Pitch Fee Review Form was served at least 28 days before the review date, an application may be made no later than three months after the review date.

If there is a late review, an application to the tribunal will need to be made no later than four months after the date that the site owner serves the notice.

In our example:

- If the review is undertaken on the review date of 1 April, then the application to the Tribunal must be before 1 July (three months after the review).
- If the review is undertaken on 1 July, then the application must be submitted by 1 November (four months after the late review).

### **If the occupier appeals do they still need to pay the increased fee?**

No, they will not be required to pay the increase if an appeal has been made to the tribunal.

If the Tribunal orders that the pitch fee should be increased, it can order that the payment be backdated. This will be payable from the effective date, which is normally the review date. However, the occupier will only be obliged to pay the increase until 28 days after the date of the order made by the Tribunal determining the fee.

**For more information, please contact**

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