

## ***Report to the Cabinet***

**Report reference:** C-080-2013/14

**Date of meeting:** 3 March 2014



**Epping Forest  
District Council**

**Portfolio:** Housing

**Subject:** Proposed New Arrangements for Park Home Site Licence Conditions

**Responsible Officer:** Lyndsay Swan (01992 564146)

**Democratic Services:** Gary Woodhall (01992 564470)

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### **Recommendations/Decisions Required:**

- (1) That, following the recent consultation with park home residents and site owners:**
  - (a) The Epping Forest District Council Policy on Fees for Licensing Residential Park Home Sites attached at Appendix A be adopted from 1 April 2014; and**
  - (b) The fees be added to the Schedule of Housing Fees and Charges and reviewed by the Finance and Performance Management Cabinet Committee on an annual basis; and**
- (2) That a decision on the draft conditions to be attached to site licences for Gypsy, Roma and Traveller sites, and which will be the subject of a separate consultation with the owners, residents and other interested parties, be delayed pending interpretation of the implications of further guidance on recommended separation distances between park homes.**

### **Executive Summary:**

In July 2012 the Cabinet agreed the conditions to be attached to the site licences for the permanent residential park homes sites in the District (C-012-2012/13). These included a condition that, if in the future, local authorities are able to charge for park home licensing functions, the Council reserves the right to charge for such functions, although the Cabinet also agreed that if the Council intended to charge, all residents and site owners would first be consulted.

The new Mobile Homes Act includes the power for local authorities to charge for functions associated with licensing park home sites. While this legislation only allows charges to be made for the administration of the Council's licensing functions and not for enforcement, it is considered that an effective presence on site during the licensing process could reduce site licence contraventions. It is considered that this would reduce officer time spent on enforcement at a later stage.

A proposed fee structure has been devised and site owners, park home owners and other interested parties have been consulted. Residents that are tenants in a park home are not liable for paying the pitch fee (and as such any licence fee) so views on potential charging were not sought from them. Taking into account the views expressed, it is recommended that the Epping

Forest District Council Policy on Fees for Licensing Residential Park Home Sites attached at Appendix A be agreed for implementation from 1 April 2014.

The Cabinet has also agreed that the site licence conditions for the Gypsy, Roma and Traveller sites in the District should generally be in accordance with those already agreed for the permanent residential sites and that a consultation process should also be undertaken with the residents on Gypsy, Roma and Traveller sites that are occupied on a permanent residential basis.

Site licence conditions were drafted and were discussed at the joint Management Board/Cabinet meeting on 11 December 2013. These were generally based on the conditions that had already been agreed for the permanent residential sites, with appropriate amendments to take account of the differences between the settled community and Gypsy, Roma and Traveller sites. It was agreed that the Housing Portfolio Holder should consider whether a consultation should be carried out with residents on the Gypsy, Roma and Traveller sites accordingly. Following the meeting, however, additional information has come to light on the appropriate spacing of park homes. As officers wish to seek further guidance on this before making recommendations to the Portfolio Holder at this stage, the Housing Portfolio Holder has been asked to agree to delay consideration of this consultation until further notice.

#### **Reasons for Proposed Decision:**

The cost of the Council's site licensing functions is currently borne by the General Fund which is under increasing pressure. The Mobile Homes Act 2013 allows local authorities to cover their licensing costs by levying a charge on site owners. This can be passed on by the site owner to individual home owners in their pitch fees but the cost to each individual home owner through the fees proposed would be small. However, the Council cannot impose charges at this stage as Members gave a commitment at the Cabinet on 23 July 2012 (C-012-2012/13) not to do so without consulting with site owners and home owners first.

The Cabinet also agreed that the site licence conditions for the Gypsy, Roma and Traveller sites in the District should generally be in accordance with those already agreed for the permanent residential sites and that a consultation process should also be undertaken with the residents on these sites accordingly. However, further information has come to light on the recommended spacing between pitches and until officers have had a chance to review this, it is considered that consultation with the Gypsy, Roma and Traveller residents should be held in abeyance.

#### **Other Options for Action:**

The option not to charge is not being pursued because the cost of the work involved in licensing park home sites comes from the General Fund which is under increasing pressure. The Mobile Homes Act 2013 provides an opportunity to recover these costs. Moreover, the cost per home owner is relatively low.

Consideration has been given to adopting a charging policy other than the one proposed. The legislation will only allow local authorities to recover their actual costs in any charging scheme adopted and Officers have modelled several different ways of doing this. The charging scheme included in The Epping Forest District Council Policy on Fees for Licensing Residential Park Home Sites, attached at Appendix A, is considered to be the fairest and, at the same time, will allow additional sites to be included without the recalculation of the fees for all the sites.

The option not to consult has been discounted since the Housing Scrutiny Panel gave a commitment in its report to the Cabinet on 23 July 2012 (C-012-2012/13), in which the site licence conditions were agreed, that it would not impose charges without prior consultation.

## Report:

### Charging for Site Licensing on Permanent Residential Sites

1. New legislation introduced in May 2013 will allow local authorities to charge for licensing functions on park home sites from 1 April 2014. Under the legislation site owners can be charged for new site licence applications, for transfers and for amendments to site licences. Local authorities may also charge an annual licensing fee for existing sites but only after first preparing and publishing a fair and transparent charging policy. The fees can cover the licensing function only and not the Council's costs in dealing with complaints or taking enforcement action. A separate power exists which allows local authorities to charge for enforcement and this may be considered as an option for this Council at a later date.
2. In setting its fees policy a Council can decide to exempt certain types or categories of site. It can also decide to charge different amounts for different sites which may be based on the site's size.
3. Importantly, the legislation allows the site owner to pass on any charge imposed on him/her by the Council in the first year, to home owners through their 'pitch fees'. This is likely to be unpopular with home owners but it is something that is beyond the Council's control unless the Council decided not to charge at all for licensing, which has been rejected as an option for action. The charging scheme which appears in the tables below and which is summarised in the Policy attached at Appendix A has been devised with the expectation in mind that the costs will ultimately fall on the home owner. The officer and administration time that is currently spent in carrying out the Council's licensing function on the existing sites has been included. The total cost to be recovered is about £3,600 per annum.
4. Officers have drafted a proposed fee structure for annual licence fees, fees for new site licences and transfers of, and amendments to, existing site licences. Sites are 'banded' as follows from 1 to 5 according to their size in terms of the number of pitches:

Table 1: Proposed Bandings

Band	N° Pitches	Sites in Epping Forest
1	1 – 5 pitches	2 family sites with 1 pitch on each
2	6 – 24 pitches	Ludgate House, Chingford (20 pitches) The Owl, High Beach (20 pitches)
3	25 – 99 pitches	Abridge Park, Abridge (65 pitches) Roydon Marina Village, Roydon (50 pitches) The Elms, High Beach (36 pitches)
4	100 – 199 pitches	There are currently no Band 4 sites in the District
5	more than 200 pitches	Breach Barns, Waltham Abbey (250 pitches) Woodbine Close, Waltham Abbey (209 pitches)

5. The proposed fee scales are calculated on the basis of the time taken in inspecting the site and administration multiplied by the officer's hourly rate. Although there are currently no Band 4 sites in the District it is important to allow for the possibility of new sites of this size in the future. The method outlined recognises that larger sites are more complex and take more time in terms of site inspections than smaller sites but that fixed costs such as travelling and admin time are higher per pitch on smaller sites.

## Annual Licence Fee

6. The proposed annual licence fees have been calculated as described above. Table 2 below shows the effect of using this formula to establish annual licence fees for the actual sites in the District in terms of the charges that would be made to each site owner. Assuming, as is their right, the site owner passes on his/her costs to the home owners in their annual pitch fees, a breakdown of the cost to each home owner in each band is also given if the proposed fees were implemented.

7. Calculating the fees in this way, home owners on very small sites would have a disproportionately large pitch fee. The Council, in setting its fees policy, can exempt certain types or categories of sites from licence fees and it is therefore proposed that the fee policy exempts from licence fees, those sites that have 5 units or less (Band 1). These sites historically require little or no Council involvement beyond issuing the licence in the first instance and the administrative costs in recovering the monies is likely to outweigh the actual income received.

Table 2: The Effect of Proposed Charges on Site Owners and Residents

	<b>Band 5</b>		<b>Band 3</b>			<b>Band 2</b>
<b>Number of units per site</b>	250	209	65	50	36	20
<b>Total charge to site owner</b>	£950	£950	£410	£410	£410	£250
<b>Charge per household (rounded)</b>	£4.00	£4.50	£6.00	£8.00	£11.50	£12.50
<b>Total Annual Income</b>	<b>£3,630</b>					

## New Site Licence - Transfer and Amendment

8. Applying the same principles, a fee structure has also been devised for new site licence applications and transferring and amending site licences, which is shown in the table below. The site owner is not entitled to pass these charges on to residents in pitch fees.

Table 3: Proposed Fee Structure for New Licences, Transfers and Amendments

	<b>Band 5</b>	<b>Band 4</b>	<b>Band 3</b>	<b>Band 2</b>	<b>Band 1</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>New site licence application - fee charges</b>					
Charge to site owner	1,120	930	775	620	545
<b>Application to transfer a site licence – fee charges</b>					
Charge to site owner	290	290	290	290	290
<b>Application to amend a site licence – fee charges</b>					
Charge to site owner	310	290	285	275	270

9. During January and February 2014 a consultation on the charging policy has been carried out with the 9 site owners, 652 park home residents and Members on the approach being taken. Overall there was a response rate of 34% from park home residents and 44% from site owners. Of those that responded to each question the outcome was as follows:

Table 4: Outcome of Consultation

<b>Question:</b>		<b>Yes</b>	<b>No</b>	<b>Don't know</b>
1. Is a fee policy based on size banding the best approach?	Residents	53%	31%	16%
	Site owners	80%	20%	0
2. Is the proposed annual licence fee fair?	Residents	29%	63%	8%
	Site owners	80%	0	20%
3. Do you agree that the owners of sites with 5 units or less should not have to pay a fee?	Residents	55%	29%	16%
	Site owners	50%	50%	0

10. While the majority of the residents that responded considered that a fee policy based on size banding was the best approach, a larger majority considered that the annual licence fee proposed was unfair. This might be expected as, as a result of charging, residents consider that they are likely to have to pay the additional cost through their pitch fees. This view might be supported by the comments from about 50% of all respondents who felt strongly that the home owners should not have to pay for licensing at all and that it should be paid by the site owner.

11. The majority of site owners feel that a fee policy based on size banding is the best approach and also that the annual fee is fair although of the 9 site owners (7 from the larger sites and the remaining 2 from sites with only one park home) only 4 responded and it is not clear whether these came from the larger or smaller sites.

12. If the charges are agreed it is recommended that they be implemented from 1<sup>st</sup> April 2014 and added to the Council's Schedule of Housing Fees and Charges to be reviewed by the Council's Finance and Performance Management Cabinet Committee on an annual basis along with the Council's other fees and charges.

#### Site Licence Conditions for Gypsy, Roma and Traveller Sites

13. In April 2011 the Cabinet agreed that the 'Standard Park Home Site Licence Conditions for Permanent Residential Sites in Epping Forest District Council' be adopted (C-069-2010/11). At the same time it was determined that, following a further consultation exercise, site licence conditions generally based on these standard site licence conditions are to be considered for use in respect of Gypsy Roma and Traveller (GRT) sites that have planning permission as permanent residential park home sites.

14. On 11 December 2013 there was an informal discussion at the joint Management Board/Cabinet meeting on the most appropriate way to consult residents on Gypsy, Roma and Traveller sites on the proposed conditions to be attached to their site licences. It was agreed that the Housing Portfolio Holder should receive a report recommending these actions.

15. However, following the meeting, Officers have been made aware that there is new guidance which may affect recommended separation distances between park homes. As this guidance may result in the necessity to revise the site licence conditions, it is considered that further information needs to be sought on it before consulting with residents on the Gypsy, Roma and Traveller sites on their site licence conditions. As this may a For this reason Officers intend to seek further advice before making recommendations to the Portfolio Holder to proceed with the consultation with the Gypsy, Roma and Traveller community on this issue.

## Conclusion

16. It is recommended, therefore, the Policy attached at Appendix 1, The 'Epping Forest District Council Policy on Fees for Licensing Residential Park Home Sites' be adopted and reviewed annually by the Finance and Performance Management Cabinet Committee, with the Council's other fees and charges. In addition, it is also recommended that further consultation is carried out site owners and residents on the Gypsy, Roma and Traveller sites be carried out once guidance on the spacing of units has been reviewed.

### **Resource Implications:**

If the proposed fee structure is approved, the annual income to the Council would be £3,630

### **Legal and Governance Implications:**

Caravan Sites and Control of Development Act 1960  
The Mobile Homes Act 2013

### **Safer, Cleaner and Greener Implications:**

Although the Council cannot charge for enforcement functions, it is anticipated that increased Officer presence on site as a result of carrying out licensing functions will lead to reduced contraventions of the site licence conditions. One aspect of the site licence conditions is to improve site safety, by maintaining safe distances between homes for example, so it can be said that the policy will improve the safety of sites.

### **Consultation Undertaken:**

When considering the conditions that should be attached to the site licences for the permanent residential park homes sites in the District in July 2012 (C-012-2012/13), the Housing Scrutiny Panel gave a commitment that it would not impose charges without prior consultation. A consultation was carried out in January and February 2014 and a summary of the outcome is outlined in Table 4 of this Report.

Officers held an information event for park home owners and representatives on the Mobile Homes Act on 2 October 2013 which included information about the possibility of charging for licensing but it had not at that time been calculated what those charges should be. Site owners and residents now need to be consulted on the actual fees to be imposed.

The joint meeting of the Cabinet and Management Board at their meeting on 11 December 2013 informally discussed the conditions to be attached to the site licences for the District's Gypsy, Roma and Traveller sites and also on charging for the administration of site licensing. It was agreed that the Housing Portfolio Holder should receive a report recommending that separate consultations be carried out on the two issues.

Following the meeting, Officers became aware of new guidance which may affect recommended separation distances between park homes. As further information needs to be sought on this before consulting with residents on the Gypsy, Roma and Traveller sites on their site licence conditions it was considered that Officers should not proceed with this consultation until further clarification has been made available. A recommendation was therefore made to the Housing Portfolio Holder that the consultation on fee charging should go ahead but that the consultation with site owners and residents on the Gypsy, Roma and Traveller sites should be held in abeyance at this time. The Housing Portfolio Holder formally agreed to this approach on 8 January 2014 (HSG-024).

## **Background Papers**

None.

## **Impact Assessments:**

### Risk Management

The charging of fees may give residents the impression that the Council is the first port of call for any problems, resulting in an increase in the number of enquiries and complaints being received. However, it is anticipated that the increased officer presence on site as a result of the new site licensing arrangements will result in fewer contraventions against the site licence conditions and, therefore, less time spent on potential enforcement.

There is also a chance that the site owner will not pay the fee. In such cases the legislation allows payment to be enforced through representation to the First Tier Tribunal (Property Chamber).

### Equality and Diversity

See Due Regard Report attached.