

## Record of individual Cabinet member decision

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

<b>Decision made by</b>	Cllr Andrew Crawford Cabinet member for finance and corporate assets
<b>Key decision?</b>	No
<b>Date of decision</b> (same as date form signed)	25/03/2022
<b>Name and job title of officer requesting the decision</b>	James Carpenter Head of Development and Corporate Landlord
<b>Officer contact details</b>	Tel: 07511 046 758 Email: <a href="mailto:James.Carpenter@southandvale.gov.uk">James.Carpenter@southandvale.gov.uk</a>
<b>Decision</b>	That the scheduled pitch fee increase for residents of Vale of White Horse mobile home parks will be abated for 2022 from an RPI based 7.8 per cent to 3.1 per cent to align to the CPI increase in state pension and benefits.
<b>Reasons for decision</b>	<p>On an annual basis the Vale of White Horse Council reviews the pitch fees charged to residents of its mobile home parks.</p> <p>The basis for this is set out in legislation in the Mobile Homes Act 2013.</p> <p>The legislation sets Retail Price Index ("RPI") as the basis for annual pitch fee increases in England. The rate of the all items RPI is taken at the point of review, and this is annually in January for the Vale of White Horse District Council's purposes (to align with new fees from the new financial year in April).</p> <p>The council has consistently increased pitch fees annually in line with RPI. For council budgeting purposes these were estimated to be 3.8 per cent reflecting the RPI rate in summer 2021.</p> <p>The council has served notice on mobile home park residents of its intention to raise the pitch fees by the RPI rate (as of January 2022) of 7.8 per cent.</p> <p>Officers have received 20 complaints from Vale residents of the mobile home parks. The complaints fall into three main categories:</p>

1. The difficulties faced by the current economic climate
2. That we shouldn't be using RPI
3. The council make more than enough money already

Where residents do not agree with an increase they can seek the adjudication of a tribunal, however this is read to be related to increases above RPI (for example where a park owner has increased fees to cover specified improvements).

The table below shows that the rate of RPI has fluctuated over recent years, current economic conditions have raised the fee well above what would have been an average figure. For comparison the CPI rate is shown, and it can be seen that CPI tends to track lower than RPI.

JANUARY	2019	2020	2021	2022	AVE
<b>RPI</b>	2.5	2.7	1.4	7.8	<b>3.6</b>
<b>CPI</b>	1.8	1.8	0.7	5.5	<b>2.45</b>

On issuing the annual notice of pitch fee increase in line with RPI concern has been raised by a number of residents of the parks as to the negative personal financial impact of the increase.

The figures are set out in the financial implications section, and it can be seen that this affects a small number of residents. Park homes tend to be purchased without mortgages so rising interest rates do not affect the costs, however feedback from park residents in response to the notice suggests that a large proportion are on fixed or low incomes. The financial implications are ultimately manageable.

An option available to the Cabinet Member is to consider charging a lower amount of increase (noting the legal and financial observations below).

The figure based on the CPI increase in pension of 3.1 per cent has been put to officers on the basis that all other benefits will also be increased in line with CPI of 3.1 per cent. This includes working-age benefits, benefits to help with additional needs arising from disability, carers' benefits, pensioner premiums in income-related benefits, Statutory Payments, and Additional State Pension.

**Alternative options rejected**

Leaving the pitch fee increase at 7.8 per cent. This approach is consistent with that adopted in previous years, and there is sound and robust legal basis for this approach. However it does not address the concerns raised and shared by members over the impact of the increase above

	<p>the amount that state pension and benefits increased (3.1 per cent).</p> <p>Taking the January 2022 CPI figure of 5.5 per cent as an alternative. This would be consistent with the annual timescale of review and more closely aligned to the prevailing RPI at the time. This would still be above the amount that state pension and benefits increased (3.1 per cent).</p>												
<b>Climate and ecological implications</b>	There are no climate or ecological implications from this proposed decision.												
<b>Legal implications</b>	<p>There is some legal risk in that the pitch fees can only be reviewed on an annual basis, and that the formal documentation around this has been sent to the residents setting out that the pitch fee increase will be 7.8 per cent. It is, however, open to the Cabinet Member to set a lower rate providing it is made clear that this abatement is for one year only given the exceptional circumstances.</p>												
<b>Financial implications</b>	<p>There are the following number of pitches on Vale Mobile Home Parks</p> <ul style="list-style-type: none"> <li>• Pebble Hill 104</li> <li>• Woodlands 112</li> </ul> <p><b>Current Rent ending 31 March 2022</b></p> <ul style="list-style-type: none"> <li>• Pebble Hill £1,530.50</li> <li>• Woodlands £1,255.59</li> </ul> <p><b>Proposed Rent for 2022-2023 starting 1 April 2022 (7.8 per cent increase)</b></p> <ul style="list-style-type: none"> <li>• Pebble Hill £1,649.88 increase of £119.38 per year</li> <li>• Woodlands £1,353.53 increase of £97.94 per year</li> </ul> <p>On top of the pitch rental cost a charge is made for the cost of water usage at the sites.</p> <p>The current proposal is to increase the pitch fee by the January 2022 all items RPI of 7.8 percent. Officers have also considered the financial impact of increasing by the CPI to September 2021 which is used to calculate the basic State Pension (3.1 per cent).</p> <p>The table below sets out what the current and proposed annual pitch fees would be for the residents.</p> <table border="1" data-bbox="587 1883 1430 2063"> <thead> <tr> <th></th> <th><b>2021/22 pitch fee pa</b></th> <th><b>Increase of 7.8%</b></th> <th><b>Increase of 3.1%</b></th> </tr> </thead> <tbody> <tr> <td>Pebble Hill</td> <td>£1,530.50</td> <td>£119.38</td> <td>£47.45</td> </tr> <tr> <td></td> <td></td> <td><b>£1,649.88</b></td> <td><b>£1,577.95</b></td> </tr> </tbody> </table>		<b>2021/22 pitch fee pa</b>	<b>Increase of 7.8%</b>	<b>Increase of 3.1%</b>	Pebble Hill	£1,530.50	£119.38	£47.45			<b>£1,649.88</b>	<b>£1,577.95</b>
	<b>2021/22 pitch fee pa</b>	<b>Increase of 7.8%</b>	<b>Increase of 3.1%</b>										
Pebble Hill	£1,530.50	£119.38	£47.45										
		<b>£1,649.88</b>	<b>£1,577.95</b>										

	Woodlands	£1,255.59	£97.94	£38.92
			<b>£1,353.53</b>	<b>£1,294.51</b>
<p>The impact on the income from the pitch fees is set out below:</p>				
	<b>Income from pitch fees in 2021/22</b>	<b>Income using RPI of 7.8% (increase)</b>	<b>Income using CPI of 3.1% (increase)</b>	
Total	£299,798	£323,182 (£23,384)	£309,092 (£9,294)	
<p>Reducing the increase from 7.8 per cent to 3.1 per cent would be a shortfall in anticipated revenue generated of £14,090 and would be a budget pressure.</p> <p>However, it is noted that the anticipated figure of 3.8 per cent was used for RPI in budget setting as the January figure was unknown at the time. Against this figure (which would have generated a total increase in pitch fee income of £11,392) the difference to 3.1 per cent (and unbudgeted pressure) is reduced to only £2,098.</p> <p>This presents a relatively modest budget pressure which can be met by underspends in other services or by a virement from contingency if required.</p>				
<b>Other implications</b>	<p><b>Communications</b></p> <p>The council's communications team will need to manage any press or media interest in this decision.</p> <p>The decision will also need to be communicated to park residents, as it would sit outside that which has been communicated to them formally on their pitch fee review</p>			
<b>Background papers considered</b>	None			
<b>Declarations/conflict of interest? Declaration of other councillor/officer consulted by the Cabinet member?</b>	None			
<b>List consultees</b>		<b>Name</b>	<b>Outcome</b>	<b>Date</b>
	Ward councillors	Not applicable – is a district wide decision	N/A	N/A
	Legal	Nigel Shepherd	Legal advice provided and implications are	17/03/2022

			as set out in the report.	
	Finance	Simon Hewings	Financial implications are as set out in the report	18/03/2022
	Communications	Shona Ware	Communications implications are as set out in the report	23/03/2022
	Senior Management Team	SMT	Comments incorporated into final version	24/03/2022
<b>Confidential decision?</b> If so, under which exempt category?	No			
<b>Call-in waived by Scrutiny Committee chairman?</b>	N/A			
<b>Has this been discussed by Cabinet members?</b>	Yes			
<b>Cabinet portfolio holder's signature</b> To confirm the decision as set out in this notice.	Agreed by email. Councillor Andrew Crawford, Cabinet member for finance and corporate assets			

**ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.**

For Democratic Services office use only		
Form received	Date: 25 March 2022	Time: 13:15
Date published to all councillors	Date: 25 March 2022	
Call-in deadline	Not applicable as this is not a key decision.	