



Regulatory Services and Health

Mobile Homes Act 2013 Fees and Charges Policy

2015-2016

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1. Executive Summary

The Mobile Homes Act 2013 (MHA13) introduces new requirements for residential caravan sites only and which are referred to as Relevant Protected Sites in the legislation. It also amends the Caravan Sites and Control of Development Act 1960 and the Mobile Homes Act 1983.

The MHA13 allows for local authorities to charge for a range of licensing functions on a cost recovery basis and fees can be charged for the following areas of work;

- Licence applications;
- Annual licence fees;
- Licence amendments, when requested by the site owner;
- Transfer of a licence; and
- Depositing of site rules.

In order to be able to implement these fees and charges, Cheshire East Council must publish a fees and charges policy setting out all the relevant charges and how they have been calculated. This policy document is designed to fulfil the requirements of the legislation and enable Cheshire East Council to levy a charge for undertaking the licensing of residential caravan sites. In accordance with guidance, the Policy will be reviewed annually to ensure all the fees and charges are updated. The Policy will be available on the council's website and on request from members of the public.

The fees will not apply to sites which are classed as non-residential, i.e. those used for recreational or holiday use, or those which do not require a licence.

The MHA13 introduces new fees and charges for the depositing of site rules and keeping a fit and proper person register. However, the requirements for maintaining a fit and proper person register have not yet been enacted and so a fee cannot be charged for this function at the present time.

2. Introduction

The MHA13 received royal assent on the 26th March 2013, and introduces important amendments to the Caravan Sites and Control of Development Act 1960 and the Mobile Homes Act 1983. The new legislation affects how councils license residential caravan sites only. These sites are termed as "relevant protected sites" under the MHA13.

The MHA13 brought in the ability for local authorities to charge fees for a range of activities associated with regulating such sites. Local authorities are able to implement the new fees and charges from the 1st April 2014. The range of site licensing functions which attract a charge include;

- Determining and issuing new site licences;
- Annual fee for licensing existing sites;
- Amendments to site licences;

- Transferring existing licences to new site managers;
- Depositing of site rules with the Council; and
- Costs associated with issuing Enforcement Notices on site owners.

The site owner or licensee is responsible for the payment of all associated fees, as set out above, however they are only allowed to pass on the cost of the annual licensing fee to site residents.

3. Setting of Fees and Charges

In setting the fees and charges relating to the MHA13 functions, the council has taken into account both national guidance and local policies. The aim of this is to ensure that the setting of the various fees is proportionate and transparent. In line with this the MHA13 only allows councils to set fees and charges to recover costs incurred.

These being the first year of fees and charges, time estimates have been used based on historic licensing activities undertaken by the council to date. Cost accounting will be put in place to track future regulatory input and inform future reviews of the policy.

4. Establishing the units (caravans) per Site

All sites have varying numbers and types of units (qualifying caravans); the most equitable method for setting fees would be to make it relative to the number of units on site. This is backed up by officer experience that more time is spent licensing and inspecting those sites with a greater number of units compared to those with only a few, however size alone is not the only factor to consider. Therefore, it is important to establish the definition of a unit and how the council determines the number of units per site.

For the purposes of this policy a unit (caravan) is classed as a single dwelling, which is capable of being moved from one place to another. This can be in the form of a traditional caravan, which is towed on the back of a vehicle or a chalet type dwelling normally made up of two parts which are joined together on site. The precise definition of a caravan can be found in Section 29(1) of the Caravan Sites and Control of Development act 1960 as amended.

It is important for the setting of fees and charges to be able to determine the precise number of units on each site. All sites must have planning permission or a Certificate of Lawful Use, which sets out the maximum number of permissible units and this will be the determining factor for calculating the number of units for each site. However, there may be occasions due to historic use where this information is not available and in these instances calculations will be based on the number of units set out in the existing site licence.

5. Charging Options

There are a range of models which can be used to determine the fees for the various sites, such as:

- Option 1 - A basic fee plus an additional time/cost element per unit which is multiplied by the total number of units on the site;
- Option 2 - A blanket fee set across all sites regardless of size;
- Option 3 - A fee set relative to the risk rating taking into account the size of the site, confidence in management and compliance history;
- Option 4 - A fee set on the number of units in a banding arrangement;
- Option 5- The total cost of undertaking the licensing function divided by the total number of units in the borough and multiplied by the number of units per site.

All of these options are explored in more detail below.

Option 1 - A basic fee plus an additional element per unit which is multiplied by the total number of units on the site

This includes charging a basic fee with additional cost per caravan or pitch, as determined by planning permission, based on a time increment for the amount of time undertaking inspections and other associated work. There are however a number of issues with this approach,

- Qualifying sites within Cheshire East vary considerably in size from those with single units to 80+ chalets/caravan units and it was found that there was little cost equity between the sites given the regulatory input.
- Gypsy and Traveller sites tend to have a number of family pitches where a pitch is classed as up to 2 caravans, or have been stipulated as a chalet unit and a touring unit, and there could be an issue as to clear and open charging depending on pitch use and site type.
- Some sites can have a considerable seasonal variation as to caravan numbers which may lead to issues around cost accounting. It is acknowledged that the council does undertake a Gypsy and Traveller caravan count twice a year that could be used, however the numbers can still be seasonally affected.

Option 2 - A standard fee set across all sites regardless of size.

This involves setting a standard fee for all sites regardless of the size or time required to administer the licensing function. However, as the size of sites and the number of units per site varies considerably it would be inequitable, especially as this cost can be passed on to the residents of the sites.

Option 3 - A fee set relative to the risk rating taking into account the size of the site, confidence in management and compliance history.

Whilst this approach would have the benefit of using the licence fee to maintain high standards, devising and implementing such a scheme could result in additional costs to the site owners and ultimately the residents. In addition, residents of sites where there is poor or ineffective management would be left with additional costs, which would be outside of their control.

Option 4 – A price set per the number of units which are banded together

Consideration was given to the banding of sites based on unit numbers per site. Banding numbers could be set with regard to officer experience of the regulatory input in put required. Based on this the banding which could used is detailed below.

Less than	10 caravans
Less than	20 caravans
Less than	30 caravans
Less than	40 caravans
Less than	50 caravans
Greater than	50 caravans

Option 5 - The total cost of undertaking the licensing function divided by the total number of units in the borough and multiplied by the number of units per site

This option, when considered across all site sizes would unduly penalise the larger sites.

Preferred Option

It is proposed that option 4 is utilised as being a clear, transparent, equitable and cost efficient system of caravan site charging.

This approach would be based on using the number of units set out in planning permission to allocate a site banding category or as historically numbered in the site licence where there is no specific number in planning terms. The banding category will be set in multiple of ten with a final open category of >50 units.

6. Licensing Fees

6.1 Considerations

The following fees per band have been set using officer experience as to the typical time taken for various activities, officer grades and on-costs, which include;

- Administration of licence fees;
- Pre inspection preparation;

- Site inspection (including travelling time and mileage allowances at current rates);
- Post inspection administration e.g. formal notification of compliance or non-compliance;
- Re-inspection due to non-compliance;
- General administration (maintaining files, electronic records and cost accounting);
- Training and research;
- Maintenance and development of ICT systems;
- Support and shared services on-costs e.g. HR and Legal
- Officer grade – Officers involved with caravan site licensing functions span Grades 7 to 9. Therefore a midpoint grade 8 has been used to establish officer costs.

Please note with regard to all caravan site fees and charges this is the first year for setting fees and charges and time monitoring will be undertaken to help inform future annual reviews of the policy.

6.2 Annual Fee

The current fees set for 2015/16 are;

Number of pitches	cost
<=10	£218.00
<=20	£258.00
<=30	£297.00
<=40	£336.00
<=50	£375.00
>50	£414.00

6.3 New Application Licence Fee

It is estimated that processing a new licence would not be considerably different to the work proposed for the annual licence thus we propose to duplicate the annual licence fee in the case of the new licence fee in the first year of fee setting.

Number of pitches	cost
<=10	£218.00
<=20	£258.00
<=30	£297.00
<=40	£336.00
<=50	£375.00
>50	£414.00

6.4 Transfer Fee

A fee of £70.00 will be charged to cover this function, which is estimated to take 3 hours of officer time and associated administration cost.

6.5 Licence Amendments Fee (application)

There is a statutory requirement to consult residents and any resident associations with regards to changes to any site licence conditions; this in turn has an impact on officer costs. Thus a midpoint of the banding scale for sites as set out previously will be used to set the licence amendment fee. These are set out below.

1. Licence amendment (simple) £70.00.
Simple amendments are those requested by the site to change non condition related details e.g. site name change or changes to registered offices or mail addresses.
2. Licence (condition etc) amendments application fee £250.
Changes to the condition(s) require resident and resident association consultation this greatly increases regulatory effort in the overseeing or undertaking of this role.
3. Changes imposed by Local Authority – no charges payable.

6.6 Fee Combination

New sites are required to apply for a site licence on a non refundable fee basis as this will cover the administration and verification of application documents, whether granted or refused. Where the licence is granted the annual fee is also payable within the same year.

In cases where both simple and condition amendments are requested the fees will be combined.

6.7 Fees and Charges Payment Timeframe

Annual Fees and Charges are to be levied from the 1st April each year and all other fees are per application or required function.

7 Fees for Depositing Site Rules

Site rules are different to site licence conditions in that they are neither created nor enforced by the council. They are a set of rules created by the site owner with which residents have to comply and which may reflect the site licence conditions but will also cover matters unrelated to licensing. The MHA13 amends the Mobile Homes Act 1983 and requires existing site rules to be updated and deposited with the Local Authority within a specified timescale (likely to be 12 months).

Local Authorities will need to satisfy themselves that replacement or new rules deposited with them have been made in accordance with the statutory procedure. They will also be required to establish, keep up to date and publish a register of sites which have deposited their site rules. In doing so a Local Authority may levy a fee for the deposit, variation or deletion of site rules.

Once an administrative system is in place for holding and publishing site rules it is estimated that it will take approximately 1 hour of officer time per site, to undertake this function. It is therefore appropriate to set a fee of £20.00 (based on the appropriate hourly rate and associated administration) for the checking and depositing of site rules by site owners.

8 Exemptions

Local Authorities can elect to exempt sites for reasons of risk and/or cost, scale etc.

- Any site that does not require a licence.
- Any site used exclusively for recreational type use.
- Any site exempted by legislation such as the Caravan Sites and Control of development Act 1960; Schedule 1.
- A recreational site where planning permission/Certificate of Lawful Use has been issued and the number of residential units on the site is 5% or less of the overall capacity.
- In accordance with the legislation Gypsy and Traveller sites owned by the Local Authority that do not require a site licence.

9 Charges for Enforcement Notices

From the 1st April 2014, Section 9A of the MHA13 allows Local Authorities to serve statutory notices on site owners for non-compliance with licence conditions and to make a charge for that notice. These notices will set out how the site owner needs to comply with the relevant licence condition and the timescales involved. In accordance with the legislation the site owner is not allowed to pass this charge on to the residents of the site.

Under section 9C of the MHA13, the council is entitled to recover costs associated with the service of a notice. This includes the costs incurred with inspections, preparing the notice and obtaining expert advice (including legal costs) and any interest the authority intends to charge. The demand for recovery is served with the notice and must provide a clear breakdown of the costs incurred. The right to recover costs is subject to appeal by the site owner in certain circumstances. These will therefore be calculated on a case by case basis.

This charge is only for the service of enforcement notices and costs associated with taking any action for non compliance with such a notice would be recoverable through the courts.

Where compliance with a notice is achieved through works in default then these costs would be passed on to the site owner.

10 Review

This fees and charges policy will be published on the Cheshire East Council website. The fees detailed in this policy have been determined based on experience of dealing with mobile home site licensing and with consideration of the changes the MHA13 has introduced. Some of the processes are new (for example the depositing of site rules) and therefore estimates have been made as to the cost of providing these services. In addition, at the time of producing this policy some elements of the licensing regime are still awaiting further regulation by government, which may impact on the processes and time involved resulting in a revision to the proposed charges.

This policy will be revised no later than 31 March 2016 in line with the Council's fee setting process.