

REPORT TO: Housing Executive 13 November 2007

REPORT BY: Owen Buckwell, Head of Local Authority Housing Management

Written By: Jo Bennett, Peter Penneket and James Hill, Housing Management Service

Subject: MOBILE HOME SITES

1. PURPOSE OF THIS REPORT

1.1 The purpose of the report is to outline options for the future of mobile home sites & make recommendations on how to proceed.

2. RECOMMENDED THAT:

2.1 That an independent organisation is appointed to consult all mobile home owners individually to establish as soon as possible which of the four options residents would prefer:

- Re-introduction of the 10% commission on sales
- Pitch rent increase
- Sale of the sites at market value to a private buyer
- Sale of the sites at market value to all residents

2.2 The consultation results to then be brought before the Housing Executive in February or earlier if a special executive meeting is required.

2.3 If the commission charge is re-introduced the pitch fee increases for Mobile Homes be linked in future to the retail price index increase.

2.4 With immediate effect all new licensees be advised that if they sell the site in future the 10% commission will be applied.

2.5 The Strategic Director for Corporate Resources & Services financial appraisal is approved.

3. BACKGROUND & LEGISLATIVE FRAMEWORK

3.1 The attached Briefing document has been used in consultation with members and residents. It contains the background detail to the changes proposed.

3.2 The Key points are:

- The Mobile Home sites do not provide Social Housing they are managed by the Housing Service to make a contribution towards the overall Housing Revenue Account budget
- Mobile Home owners are private owners who go through no Housing need assessment

- There is no legal barrier to the charging of the commission charge at the point of sale. It is already part of all the mobile home licences on both sites but has not been applied.
- The charging of commission at the point of sale is common practice in the industry. The research we have undertaken shows we are the only mobile home owner in the Southern region that doesn't charge the commission
- The DCLG undertook a consultation exercise examining the charging of the commission rate. They concluded that no change would be made to the charging of the commission rate
- The charge would not apply where the home is gifted or bequeathed to a family member.

4. CONSULTATION UNDERTAKEN

4.1 Since the deferred Housing Executive decision in July 2007 the following consultation has been undertaken

- Ward Councillors have been given the opportunity to attend briefing sessions
- Residents Consortium were briefed on the 13 September 2007
- Briefings have taken place with Housing Exec
- Briefing held with Councillor Mike Hancock MP – 17 September 2007
- Briefing held with the Leader of the Council – 17 October 2007
- Henderson Mobile Home meeting – 4 October 2007
- Clifdale Mobile Home meeting – 5 October 2007

4.2 The attached meeting notes from the mobile home meetings capture the feedback from the residents attending the meetings.

4.3 In summary the feedback from the meetings indicated a preference for no change but, as the financial appraisal shows this is not a viable option.

4.4 The attached letters capture the feedback from residents who chose to use the feedback forms at the consultation meetings.

4.5 Copies of the meeting notes have been sent to Ward Councillors. The feedback letter has been sent to all mobile home owners and Ward Councillors.

5. OTHER OPTIONS CONSIDERED AND REJECTED:

5.1 The following options are financially not viable for the Housing Revenue Account

5.2 Option – Carry on as now with no change

5.3 Option – Re-introduce a 10% commission only for 'new; licensees not 'existing' licensees

The attached financial appraisal shows that both options would not generate the increased revenue required for the Housing Revenue Account.

6. REASON FOR THE MATTER BEING DEALT WITH IF URGENT:

6.1 There is currently no commission charged at sale. For each unit sold the HRA loses the potential income from the sale.

7. LEGAL IMPLICATIONS

7.1 This report has been considered by the City Solicitor.

8. SIGNING OFF THE REPORT



Head of Housing Management, Owen Buckwell

9. ACCESS TO INFORMATION

The following documents disclose facts or matters that have been relied upon to a material extent by the author in preparing this report:

Attached –

- Briefing document
- Mobile Home meeting minutes
- Feedback letters
- Financial Appraisal

10. APPROVAL TO THE RECOMMENDATION

The recommendations set out above were approved/ approved as amended/ deferred/ rejected by the Executive Member on

Signed