

REPORT TO: Housing Executive 5 February 2007

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

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

Subject: MOBILE HOME SITES

1. PURPOSE OF THIS REPORT

1.1 The purpose of the report is to update the executive on the discussions with the mobile home residents and a compromise option to phase in the introduction of a commission charge.

2. RECOMMENDED THAT:

2.1 That the Executive note the results of the survey undertaken by the Residents Association at Clifdale Gardens and the Residents Association at Henderson Road.

2.2 The phased introduction of a commission charge is agreed in the following detail:

Mobile Home Owners purchasing since April 2007 will pay 10% commission when they sell.

All other home owners pay a commission charge based on when they sell:

Dates	Commission charged
Housing Exec decision (Feb 2008) – October 2008	No commission is charged
October 2008 – October 2009	3% commission is charged
October 2009 – October 2010	6% commission is charged
October 2010 – October 2011	10% commission is charged

Pitch rent fees for 2008/2009 should not be increased more than RPI

This may change if the government alters the amount of commission that can be charged. Currently this is set at a maximum charge of 10%. This also doesn't not alter the situation where a homeowner gifts or bequeaths the mobile home to a relative (as detailed in the previous documents).

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

3. BACKGROUND & LEGISLATIVE FRAMEWORK

- 3.1 The report taken to Executive on the 13 November 2007 was deferred with no decision.
- 3.2 Representatives from the Cliffdale Residents Association approached officers to discuss a survey they wished to undertake on behalf of the Residents Association. Officers were clear that the survey should not be undertaken in the name of Portsmouth City Council.
- 3.3 As part of the discussions the resident association representatives asked what if any compromise could be presented to the residents.
- 3.4 An area of compromise was discussed which would phase in the introduction of the commission charge.
- 3.5 The Cliffdale Residents Association undertook a survey of all 49 mobile home owners, 97.3% of those who returned their surveys voted in favour of the commission over the other options available.
- 3.6 The Henderson Road Residents Association carried out the same survey of all 63 mobile home owners, with 65% of those returning their surveys voting in favour of the commission over the other options available.

4. CONSULTATION UNDERTAKEN

- 4.1 Since the deferred Housing Executive decision in November 2007 the Residents Association at Cliffdale Gardens and Henderson Road have undertaken surveys on both sites.
- 4.2 The meeting officers had with representatives of the Cliffdale Residents Association leading to a discussion on a compromise option was recorded and sent to Ward Councillors and the Executive member for Housing

5. OTHER OPTIONS CONSIDERED AND REJECTED:

Not relevant for this report.

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. SIGNING OFF THE REPORT

Head of Housing Management, Owen Buckwell

8. 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 –

- Letter to Chair of Cliffdale Residents Association dated 13th December 2007
- Survey form used by Cliffdale Gardens Residents Association
- Letter to Ward Councillors and the Executive member
- Letter from Cliffdale Residents Association detailing results of survey
- Summary of results from Cliffdale Gardens RA Survey
- Summary of results from Henderson Park RA Survey

9. APPROVAL TO THE RECOMMENDATION

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

Signed

Cliffdale Gardens Mobile Home Park Residents Association Survey

Results

49 mobile home plots at Cliffdale Gardens

1 plot is currently vacant

Of the remaining 48 plots there were 37 returns (75.5%)

11 mobile home owners didn't return the form.

The 37 returns show the following:

- 36 (97.3%) in favour of Option One (re-introduce the charge / phased introduction)
- 1 (2.7%) in favour of Option Four (sale of the parks)

Conclusion

The survey generated a high return and of that return Option One has support from the majority.

Henderson Road Mobile Home Park Residents Association Survey

Results

67 mobile home plots at Henderson Road
7 plots are currently vacant

Of the 60 plots there were 40 returns (66.6%)

20 mobile home owners didn't return the form.

The 40 returns show the following:

- 26 (65%) in favour of Option One (re-introduce the charge / phased introduction)
- 5 (12.5%) in favour of Option Two (increase the pitch rent)
- 1 (2.5%) in favour of Option Four (Sale of the parks)
- 5 (12.5%) didn't want any of the options favoured no change.

Conclusion

The survey generated a high return and of that return Option One has support from the majority.

HEALTH, HOUSING AND SOCIAL CARE

Chaucer House, Isambard Brunel Road, Portsmouth, P01 2DR

Telephone: 023 92 841634

Fax: 023 92 834523

Our Ref: HM/RMK

Your Ref:

Ward Councillors
Cliffdale Mobile Home Park
Henderson Road Mobile Home Park

13th December 2007

Dear Councillor,

MOBILE HOME PARKS

Please find enclosed a letter sent to the Residents Association at Cliffdale Gardens.

The residents association approached us direct to clarify detail and options in the Executive report and to talk to us about a survey that they wish to undertake.

There seems to be an emerging desire to reach agreement and a growing understanding that the option to do nothing although preferred is not viable. The residents would far rather be in a position to reach a consensus and influence the executive with the option they prefer.

The discussion has moved to possible areas of compromise and the enclosed letter shows the area where a compromise may be struck.

The discussions have been constructive and positive. I wanted to make you aware of these and the emerging themes of the discussion with the residents association.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Hill', written over a large, faint circular stamp or watermark.

James Hill
Housing Manager

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Telephone: 023 92 841634

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Our Ref: HM/RMK

Date: 13 December 2007

Your Ref:

Chair Cliffdale Residents Association
Cliffdale Mobile Home Park

Dear Chair

COMMISSION RATE ISSUE

I thought it might be helpful for your residents association meeting tonight if I confirmed in writing the point that we have discussed.

We are keen to work with the association and residents on both sites to reach agreement on the commission charge issue. Your contact with me has been very helpful in enabling us to explore how agreement may be reached and the principles upon which a consensus may develop.

The ideal position would be for officers and residents to have reached agreement prior to the Housing Executive meeting on 5th February 2008 so that our Housing Executive member and your Ward Councillors are briefed and the agreement ratified at the executive meeting.

Your decision to consult all the mobile home owners on both sites is something we would support. The report to executive recommended that an independent body be commissioned to undertake a face to face survey on both sites to understand whether there was a majority opinion on the options presented in the report. At the executive no decision was made and the matter deferred.

Although your survey should not be undertaken in my name or that of the City Council it is entirely acceptable that the residents association undertakes a survey and presents the findings to officers and members.

The manner in which you undertake the survey is your choice however given the nature of the options my only suggestion to the association is that you consider undertaking that survey face to face to allow explanation of the options and to record in more detail the individual responses.

You may also feel that this method is quicker given the short timescales before the next executive meeting.

As discussed Hugh Mason the Housing Executive will ultimately take the decision on which option is pursued however he will be influenced as will officers by the results of your survey if it leads to showing that there is a clear consensus or majority view on which option is preferred (or which options are least preferred).

We discussed an area of compromise and I hope it is useful to say that I think an option, which looks to phase the introduction of a commission charge, could be acceptable.

The starting point may be that we are clear that any new home owner moving onto either site since April 2007 has been told that the commission charge at the 10% rate would be levied.

The negotiation will then be about how other mobile home owners are treated.

Options for negotiation could focus on a phased introduction for all to allow those that feel strongly that no charge should be introduced are offered an opportunity not to pay or to pay a reduced amount and to sell within a defined period of time.

For example

- Mobile Home Owners purchasing since April 2007 will pay 10% commission when they sell.
- All other home owners pay a commission charge based on when they sell:

Dates	Commission charged
Housing Exec decision (Feb 2008) – October 2008	No commission is charged
October 2008 – October 2009	3% commission is charged
October 2009 – October 2010	6% commission is charged
October 2010 – October 2011	10% commission is charged

A mobile home owner that sells between Feb 2008 – October 2008 will therefore pay no commission charge.

A mobile home owner that sells between October 2008 – October 2009 will therefore pay 3% commission charge.

This may change if the government alters the amount of commission that can be charged. Currently this is set at a maximum charge of 10%. This also doesn't alter the situation where a homeowner gifts or bequeaths the mobile home to a relative (as detailed in the previous documents).

A commitment could also be given that increases in pitch rents for next financial year 2008/2009 could be linked to changes in the Retail Price Index (RPI).

Clearly from the Housing Services perspective the introduction immediately of the 10% commission charge is the preferred option whilst for the mobile home owners no change is the preferred option. We accept that the likely outcome will be a compromise position and the reintroduction of the commission charge over a phased period could offer the opportunity to reach agreement and draw a line under the issue.

I hope this letter helps the association in its thinking about a possible compromise and one which as officers we will consider and with a majority opinion on the parks recommend is agreed by our Housing Executive.

Thank you again for sparing the time to discuss the issues with me.

Yours sincerely

A handwritten signature in black ink, appearing to read "James Hill". The signature is written in a cursive style with a large, sweeping initial "J" and "H".

James Hill
Housing Manager