

# EXECUTIVE COUNCIL

## RESTRICTED

**Title of Report:** Murray Heights Mobile Home Park: Licence Fees and Duration  
**Paper No:** 70/09  
**Date:** 23 April 2009  
**Report of:** Senior Crown Counsel

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### 1.0 Purpose

To consider proposals to vary the licence terms upon which plots at Murray Heights Mobile Home Park are made available for the siting of private mobile homes by increasing the annual licence fee and extending the licence term.

### 2.0 Recommendations

The Lands Committee recommend that Honourable Members approve a variation in the licence terms upon which which plots at Murray Heights Mobile Home Park are made available for the siting of private mobile homes by:-

- 2.1 increasing the annual licence fee from £125 to £175 effective from 1 July 2009, increasing annually thereafter in line with any increases in the Stanley Retail Price Index; and
- 2.2 granting licences for terms of up to 20 years, FIG reserving the right to resume the plot immediately if the occupier is in default of the terms of the licence or on 6 months' notice if FIG requires the land for infrastructure, residential or commercial development.

### 3.0 Summary of Financial Implications

Increase in revenue received by FIG of £600 per annum.

### 4.0 Background

- 4.1 Murray Heights Mobile Home Park was developed by FIG in 1996, in part to meet short term housing demand, in part to facilitate the redevelopment of Eliza Crescent. It contains 24 plots for the siting of mobile homes. 12 plots are occupied by mobile homes owned by FIG and rented out as part of Government's housing stock. The other 12 plots are made available by licence for the siting of mobile homes owned and occupied by persons with

Falkland Islands Status or Permanent Residence Permits. This paper is concerned only with the terms of occupation by the private mobile home owners.

- 4.2 Each licence is personal to the individual mobile home owner, who is not permitted to allow anyone else to occupy the mobile home without FIG's consent. In practice, the Lands Committee grant consent for occupation by other family members provided no rent is paid, and on one occasion granted consent for occupation by a tenant while the owner of the mobile home was absent overseas.
- 4.3 The licensee agrees to use the plot for the siting of a mobile home in a position approved by FIG and for no other purpose; not to store anything combustible upon the plot; to comply with any reasonable rules imposed by FIG in relation to the park; and to pay an annual licence fee (ground rent). In return FIG provides electrical, water and drainage facilities to the plot and maintains the access track. Either party may terminate on 4 weeks' notice.
- 4.4 The annual licence fee has not been increased from £125 since the park was created in 1996. The Lands Committee recommends that the fee be increased to £175 per annum with effect from 1 July 2009, increasing annually thereafter in line with any increases in the Stanley Retail Price Index. This recommendation is supported by the Director of Finance.

## **5.0 Proposals to improve licensees' security of tenure**

- 5.1 There are 12 licensees, 5 of whom have been living at Murray Heights for over 10 years. Another 2 licensees are farmers who occupy their mobile homes when in Stanley. The 8<sup>th</sup> licensee is about to sell their mobile home, and the 9<sup>th</sup> licensee is allowing extended family to occupy his mobile home free of charge by agreement with the Lands Committee. The last 3 licensees have acquired their mobile homes over the past 4 years.
- 5.2 Licensees are entitled to hand-back their plots and remove their mobile homes from Murray Heights, but in practice this never happens. When a licensee obtains alternative accommodation, they advertise their mobile home for sale. The market is relatively restricted, since the Standard Chartered Bank is reluctant to advance loans for the purchase of mobile homes and many people do not want to live in this kind of accommodation. Provided the purchaser of the mobile home has Falkland Islands Status or a Permanent Residence Permit, and intends occupying the mobile home, FIG grants the purchaser a new licence on the same terms.
- 5.3 Over the years several mobile homes have been improved and extended, particularly by those licensees who have remained at Murray Heights long-term and who look upon it as their home. These licensees have also erected fencing and sheds, and created gardens.
- 5.4 One such licensee recently applied to the Lands Committee to purchase their mobile home plot. They say that they are seeking security in their retirement,

so that they can be assured that FIG will not make them homeless. They also want to carry on improving their garden but due to lack of security are reluctant to invest further time and money into doing.

- 5.5 On the advice of the Director of Public Works, the application was refused, on the grounds that Murray Heights is intended for temporary / mobile home occupation with generally low demand levels, and its development for permanent housing, which could result following the sale of any land, would require significant engineering works to improve the roads and services.
- 5.6 Nonetheless, the Committee had sympathy for the position of the applicants, and other long-term residents of Murray Heights, and agreed that they should be offered licences of up to 20 years' duration. Each licence would be personal to the licensee, which means that they could not assign (sell) the licence on to someone else. Any purchaser of the mobile home would, as at present, have to request a new licence from FIG if they wanted to retain the mobile home on site.
- 5.7 The only other change to the current licence terms would be that FIG would no longer have an automatic right to terminate the licence on 4 weeks' notice. Instead, FIG's right of termination would be restricted to 6 months' notice, to be given only where FIG required the land for infrastructure, residential or commercial development. (As at present FIG would reserve the right to terminate without notice if the licensee was in breach, for example by putting a rent-paying tenant into their mobile home without FIG's consent.)

## **6.0 Financial Implications**

The recommendations of the paper are supported by the Director of Finance. The only financial implication in the short-term is an immediate increase in revenue of £600 pre annum. The grant of longer-term licences with restricted rights of termination would prevent FIG subsequently increasing ground rents except in line with increases in the Stanley Retail Price Index, or as mobile homes were sold and new licences issued.

## **7.0 Legal Implications**

- 7.1 The proposed change in policy requires Executive Council approval, since it goes beyond the Lands Committee's Terms of Reference (paper 183/06).
- 7.2 To implement the increased licence fee FIG will need to serve notice of termination on all licensees as the existing licences contain no provision for increased licence fees. At the same time each licensee will be offered a new licence of up to 20 years, containing the restricted rights of resumption.

## **8.0 Human Resources Implications**

There are no Human Resources implications.