



**Northern Ireland
Assembly**

**COMMITTEE FOR
SOCIAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

**Briefing from John McCallister on
Proposed Caravans Bill**

4 March 2010

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Simon Hamilton (Chairperson)
Mr David Hilditch (Deputy Chairperson)
Mr Billy Armstrong
Mrs Mary Bradley
Mr Mickey Brady
Mr Thomas Burns
Ms Anna Lo
Mr Fra McCann
Ms Carál Ní Chuilín

Witnesses:

Mr John McCallister MLA) Ulster Unionist Party
Ms Annette Holden) Ulster Unionist Party

The Chairperson (Mr Hamilton):

The Committee will receive a briefing from John McCallister on his proposed private Member's Bill on caravans. John is joined by Annette Holden. I was going to say that speaking to a Committee was a new experience for John, but he has already spoken to the Committee for Enterprise, Trade and Investment about this issue. However, it is, possibly, a surreal experience for him.

Mr John McCallister:

It is slightly strange to be sitting at this end of the table.

Mr F McCann:

You had him at the other side of the Chamber as well.

The Chairperson:

I will try to be gentle with him. *[Laughter.]*

Mr McCallister:

That is encouraging. *[Laughter.]*

The Chairperson:

The members' packs include a cover note from the Committee Clerk; a copy of John's briefing paper; some correspondence from John dated 2 October 2009; a copy of a memo from the Committee for Enterprise, Trade and Investment dated December 2009; and copies of correspondence from representatives of various holiday parks, including the British Holiday and Home Parks Association (BH&HPA). I remind everyone that this session is being covered by Hansard. Mr McCallister will make a presentation, which will be followed by members' questions.

Mr McCallister:

Thank you for the opportunity to speak to the Committee. The only legislation pertaining to caravans in Northern Ireland is the Caravans Act (Northern Ireland) 1963, which is concerned with land that is used as caravan sites and licensing by district councils. It does not address issues such as rights of tenure or agreements between holiday caravan owners and site owners and it does not provide any security of tenure or for agreements for those in residential caravans. Such areas are unprotected by the law.

The definition of a caravan in the rest of the UK is not the same as that provided in the 1963 Act, in which the dimensions are not stipulated but are determined indirectly for reference to motor vehicle legislation. The definition of a caravan in Northern Ireland relates to a motor vehicle, as transported, on a road. The Bill will include a definition of a caravan. For the purpose of the Bill, the definition of a caravan will include mobile homes, and a specific British standard must be met.

The Bill will also give the Minister of the Environment the power to change those dimensions.

That will provide flexibility, in the event that the dimensions need to be looked at over time.

In England, Wales and Scotland, those who reside in park home caravans are protected under the Mobile Homes Act 1983, which was amended by the Housing (Scotland) Act 2006. If that Act were to be extended to Northern Ireland, it would provide such residents with significant rights of tenancy. However, there is no platform to extend the 1983 Act here. My colleague Lady Hermon, in North Down, looked at extending it before devolution, but there is no way of doing that now. As the Caravans (Northern Ireland) Act 1963 relates to licensing and the use of land, Assembly legislation is required. That is why, after much research, we proposed a private Member's Bill.

The proposed Bill is designed to afford protection to two groups of caravan users: those who use static caravans that are permanently based on caravan sites for holiday use; and those in the so-called park home, for whom a caravan is their only residence. The Bill would also bring the definition of a caravan into line with the rest of the UK.

In the Bill, static caravans will be referred to as those on seasonal sites. I included static holiday caravans under the umbrella of the Bill after a lot of research and consultation, because it revealed a distinct lack of offers of written agreements for holiday caravan purchasers and, subsequently, the potential for unfair treatment with some terms that were being stated by site owners.

A survey of park owners and users of the local holiday static caravan sites to assess fairness in trading practices, consumer contracts and park rules highlighted the need for guidance on issues about caravan ownership as it was evident that caravan owners and many park owners were unsure about their rights and obligations. Such issues that give rise to complaints include trade-in prices and the enforced upgrade of a caravan after a certain time. Furthermore, caravan owners often find it difficult to resolve those issues with the site owners in the absence of a written contract and, even if there is a written contract, such important terms have been omitted.

The safeguards that are available to caravan owners in Northern Ireland appear to be those that are offered by the Trading Standards Service section of the Department of Enterprise, Trade and Investment (DETI). It has published a booklet on caravan holiday homes, which contains the questions that people should ask. The booklet also contains information and contacts for caravan

owners should something go wrong and emphasises the importance of conducting good research. The Trading Standards Service has received an average of 75 to 80 complaints a year from caravan owners over the past eight or nine years.

DETI's guidelines for holiday caravan owners emphasise that, although an individual may own a caravan, he or she does not own the land on which it is pitched. There is also no legal right to sell a caravan on its existing pitch to another party. Through one deal, a park owner will often include the purchase of a caravan and grant an individual a licence or permission to use that holiday caravan in accordance with park rules.

Park homes will be referred to in the draft Bill as "protected sites", and the Committee will probably be most interested in those provisions of the draft Bill. Park homes have been in existence in Great Britain for some time, but that housing option is relatively new to Northern Ireland. Such sites probably date back only six or seven years and there are only two recognised developments here. When holiday homes in those developments are purchased, the owners enter into private agreements with the landowners to have the home sited on the park and, because housing law deals only with tenure rights in the rented sector, those occupying caravans as their main residence are regarded as home owners, and those sites fall outside that protection. Park homes are becoming an increasingly popular lifestyle choice for retired people who have released some equity from their houses and wish to move into cheaper and secure communities.

The Mobile Homes Act 1983, as amended, excludes static holiday caravans and makes provision for written agreements, which include the names and addresses of parties, dates of commencement and various other aspects that would be expected to be found in an agreement. It also requires that the particulars of the land on which the occupier is entitled to station the caravan and whether the pitch is sufficient are set out. The implied terms of the Act cannot be changed without an Order that is passed both the Houses of Parliament.

Written agreements are legally binding on and take effect for the benefit of any successor in title of the owner. The resident is entitled to terminate the agreement by giving the site owner notice in writing not less than four weeks before the date on which the termination is to take effect. Site owners are subject to conditions before they can terminate written agreements. If a resident breaches a term of the agreement, the site owner must serve a notice to remedy that breach within a reasonable time frame and, if the resident fails to comply with that notice, the site

owner must apply to the courts to terminate the agreement.

More protection is afforded to the tenant in the Act, because it is their primary residence. The implied terms that may be contained in a written agreement could include the right for residents to quiet enjoyment of their caravan; the sums payable; the review at yearly intervals of the sums payable; and the preservation of the amenity of the residential site. Written agreements contain all the needed particulars and allow residents and site owners to know their rights and responsibilities. They are legally binding contracts, and caravan owners and site owners are protected by them.

The current safeguards for the kind of contracts for static holiday caravans are dependent on the Unfair Terms in Consumer Contracts Regulations 1999. The advice given by the Office of Fair Trading (OFT) is that a term is likely to be considered unfair if:

“it causes significant imbalance in the parties’ rights and obligations under the contract, to the detriment of consumers.”

The OFT has also published guidance on unfair terms in holiday caravan agreements, which apply across the UK. That was prepared in light of complaints about the standard of conditions that were unfair and unclear. The guidance followed a voluntary code of practice that was approved by the OFT, which arose from a complaint to the then Monopolies and Mergers Commission about holiday caravan sites in Northern Ireland. The OFT subsequently agreed a voluntary code of practice with the National Caravan Council (NCC) and the BH&HPA. We seem to love such abbreviations in government. They are two recognised trade bodies for the industry and they jointly promoted a model contract. It should be noted that the title suggests that the code of practice was voluntary, and therefore site owners are not obliged to use it.

During the consultation, we highlighted the inadequacies of the code. At best guess, we have around 13,500 occupied holiday caravan pitches in Northern Ireland. Around 4,000 of those pitches are occupied through written agreements, which is less than 30%. Even though a great many of the parks in Northern Ireland are members of the two trade organisations, that has a very worrying effect in protecting those owning a holiday caravan.

In January 2008, the BH&HPA and the NCC agreed with the OFT to offer fairer terms and conditions. However, some site owners are still using terms and conditions that would be considered unfair by the OFT. Some unfair terms include, for example, relocating holiday

caravans to a less favourable pitch; fees paid in advance that are not refundable should the holiday caravan owner terminate the agreement; prohibiting the sale of caravans by their owners on the caravan site; and allowing the site owner to retain excessive sums as compensation when the caravan owner cancels the sale contract.

In summary, the key to protection is clear and transparent terms. Where a contract is challenged as being unfair or indeed breached, parties to the contract who have issue with the term or breach must be able to seek redress. They can do so only if effective legislation is in place. A statutory requirement for written agreements to include expressed and implied minimum terms will provide the necessary mechanisms to prevent abuse from either party to the contract and provide the necessary protection to the most vulnerable caravan owners in Northern Ireland, namely, people whose only home is their residential caravan. They must be afforded that protection.

I place on record my gratitude to Minister Foster and Minister Poots. I am grateful for their assistance in briefing, drafting and getting to the point of what would be achievable in the Bill. I also want to put on record a sincere thank you to Minister Margaret Ritchie and her departmental officials, particularly Stephen Martin, who helped guide the document from an initial draft Bill. They took the Bill through a process of what they called “Northern Ireland-ising” it. I am not sure whether Hansard can translate that. I am very grateful for their support and yours, Chairperson, for your comments to me publicly and privately.

The Chairperson:

Thank you, John. You highlighted a lot of the issues, particularly that of park homes, which is a fairly new phenomena in Northern Ireland. There are certainly significant gaps in the law that must be adequately addressed to protect people in park homes. We have all seen examples, and I know of places not too far away from where I live where people have been shabbily treated. There is clearly a need to do something.

There was some concern, particularly from within the caravanning industry, which is a significant industry in Northern Ireland, about the extent of the proposed Bill. Given that you made some changes to it, will you make it absolutely clear — you made some reference to this already — that the proposed Bill refers only to park homes and static caravans, not touring caravans or motor homes?

Mr McCallister:

I fully accept your remarks about park homes, and your constituency is one of the areas in which such homes are based. At no time, during either the drafting of the Bill or the process, did we ever want or try to include touring caravans or motor homes, because it did not make sense to do so. If owners of touring caravans or motor homes wish to stop somewhere overnight, but do not like the site or the terms that are on offer or if there is a fall-out with the site owner, they can hook on and leave. There is no issue with doing that, so there was no need to include those types of owners in the Bill.

I think that some of the industry has latched onto the way in which the proposed legislation is written. The definition of a caravan, obviously, includes touring caravans, but the use and absence of written agreements for those types of caravans mean that they will be exempt from the legislation. Therefore, at no time, did we plan or want to include them in the Bill, and we made that quite clear to the industry on numerous occasions.

The Chairperson:

It was important that be made absolutely clear for your benefit, that of the Committee and the people who raised those concerns.

Mr F McCann:

I have a couple of comments. I commend John for the work that he has put into the proposed Bill. I know many caravan owners who have been badly treated by site owners over many years. John raised a number of the issues that they raised, not least the resale of caravans on sites. Some of the caravan owners who sold their caravans without going through the site owner were, consequently, put off the site. Other caravan owners, after selling their caravans, saw a huge reduction in the amount that they initially paid for their caravans. Protections are, therefore, needed for those owners.

Many families who use caravan sites for all or part of the summer believe that they are being overcharged for amenities. Other caravan owners have said that there are a number of sites where they have paid money for few or no amenities and that they have, therefore, been overcharged. I welcome the fact that John is pushing for the inclusion of protections in the Bill for people in those circumstances. I offer you my support.

Mr McCallister:

Thank you very much for those remarks. Those were the types of issues that kicked-off this process. Annette asked initially why more Members do not propose private Members' Bills. Two years and two months on, I have worked out the reason for that: a serious amount of work has gone into the proposed Bill.

We are basing most of the protection on a contract. I know that that might not solve every ill, but at least it will mean that caravan owners know what they have signed up to and what has been agreed with the site owner. Those are the protections that contracts afford. The Trading Standards Service and Minister Foster are confident that that will give them the teeth to pursue some of the issues that Fra raised.

The Chairperson:

Fra mentioned the selling of caravans. Will the Bill include provision for setting an upper limit of 10% on commission on the sale of caravans?

Mr McCallister:

Only on the permanent residential sector will there be an upper limit. We used the English model when deciding that.

The Chairperson:

Will that apply to park homes as opposed to static caravans?

Mr McCallister:

Yes. The contract will state the conditions. Having worked with our caravan industry, we recognise that it does not survive on pitch fees alone; it requires money from sales. We looked at capping commissions at 10%. NCC and BH&HPA issued an industry guideline of 15% commission, and I would like that to be written into contracts. In fact, the Trading Standards Service should specify that customers should look for such provision when signing contracts.

The Chairperson:

That is not a matter for the legislation.

Mr McCallister:

Exactly. We recognise that the industry needs such a provision; however, we also want consumers to be aware that there is an industry guide on the issue. We have come across examples of people charging 40% or 50% commission. I could buy a caravan off Fra, for example, for £6,000 and sell it to Thomas for £12, 000.

The Chairperson:

You have had your eye wiped, Thomas. *[Laughter.]*

Mr McCallister:

Those are the sort of issues that the Bill will address. People have the right to sell their caravans to anyone they want; however, there can be difficulties because they do not own the pitch. The industry and caravan owners want a site owner to have control over who comes on to a pitch. Most caravan holidays are about quiet family enjoyment; people will not want to be beside a caravan that is the venue for stag parties every weekend. That is why control is needed. However, that control should not be abused.

Mr Burns:

I welcome John to the Committee. I agree that practices in the caravan industry need to be updated. You mentioned the definition of a mobile home, a motor home and a caravan. It seems that many more people are buying motor homes, which, even though the owner may park them on a pitch, are still moveable and still belong to the owner. Mobile homes, however, are a permanent fixture, and I understand people's desire to stay in them for the whole summer. Being residents, they want more rights. As you said, they will not want to be parked beside a caravan whose owners party continually. There can be an issue if the owners of a site do not control such behaviour.

Antrim has a popular facility for motor homes and touring caravans. However, it is being taken over by motor homes; they occupy a pitch and get connected to the electricity and the showers and washing facilities. There are no big problems. However, no one tries to pretend that they are permanent residents or that they will be there for more than a couple of weeks. There is a clear distinction between motor homes and a residential caravan, by which I mean a permanent structure. You gave an example of you buying a caravan off Fra and selling it to me. However, that would not be moved off site. Once it is in place, it stays in position, if you know what I

mean. After 10 years or so, when those people have gone, all those caravans and mobile homes could be completely refurbished. The owner could get new ones in, which will belong to the site, rather than to the people living in them.

Mr McCallister:

Over the course of the discussion, I three different products were referred to. Touring caravans and motor homes, which, for example, are hooked up for a couple of weeks, will be excluded from the Bill. There is no need to give people who own such vehicles a contract. If they do not like the services they get in Antrim, for example, they will vote with their feet and go where all holidaying should be done, which is in south Down. It is the same as staying in a hotel. If you do not like it, you can move out.

Secondly, there is the static holiday site. In those, someone may own the caravan but not the pitch. The caravan can be removed and someone has the right to move it to a different site.

Thirdly, there is the permanent residential sector. As the Chairman said, on a holiday site, people could stay for the entire summer, but a permanent site is their primary residence. People living on such sites need a significant level of protection. If they lose their permanent site, they are homeless. That is different to holiday homes, and people living as permanent residents need such protection. Permanent residents on such sites may own the structure, but not the land on which it is on. Part of the contract will relate to the amenities and how they are kept. The contract gives huge protection to those in a permanent setting.

For those hooking into the electric supply for two weeks, it should not be a problem because they do not stay long enough to need a contract. We should not interfere with that sort of free-flowing business.

Minister Foster made clear that better regulation should not mean burdening people. We are trying to bring clarity and transparency to the situation; we do not want to over-regulate and kill the industry.

Mr Armstrong:

I am concerned about park homes, which are like wee bungalows. Then there is the other type of mobile residence, which has wheels and can be moved more easily. What rights are involved in

moving them? Who can move them, and where can they be moved to? I understand that the resident may own the structure, but not the land that it is on. Who does the resident go to for permission to move it? Can residents move them themselves, or do they have to go to the person who owns the land to move it? How does that work?

Mr McCallister:

I hoped that my party colleague might ask me an easy question. The answer to the question is that a mobile residence can be moved.

However, it would require a person who is qualified to disconnect the gas and electricity supplies. The rights that you talked about also extend to preventing site owners abusing their positions by having their people do all the work. If the caravan owner has a fault in their caravan, they could get a suitably qualified and accredited person to do the work. That extra right would extend to caravan owners, because there may be a suspicion that site owners could ratchet up prices.

To use Mr Armstrong's example, a caravan owner is free to terminate the contract in a park or permanent home provided that the required arrangements are made to remove the caravan and that 28 days notice is given. After that time, the mobile home must be gone from the site. The same would apply to the holiday sector. I suppose not everyone undertakes that work themselves, because they need to use qualified people and have access to transport that meets the legal requirements. However, caravan owners are free to do that.

Mr Armstrong:

Therefore, does that mean that a caravan owner does not need a landowner to move a caravan off a site?

Mr McCallister:

Yes, but the move would have to be co-ordinated with the landowner, and, if the contract were terminated early, the caravan owner might be liable. However, the contract would clarify those responsibilities. Of course, the caravan owner would have to adhere to all health and safety guidelines. It could be easier to have the site owners move caravans, because they would know most of those guidelines. However, apart from adhering to health and safety guidelines, there would be nothing to stop a caravan owner moving them.

Ms Lo:

I join Fra McCann in commending John for proposing the legislation. Members get a lot of criticism for not passing enough legislation, so good on you. If a gap in protection for consumers exists, it is important to increase their rights.

I am ignorant about the issue, so, I ask you to excuse the simplicity of my questions. You said that site owners are entitled to 10% commission on the resale of caravans. Why is that? Do they not also get rent?

Mr McCallister:

Site owners are entitled to 10% commission on the permanent residential caravans. I accept that justifying that figure is not always an easy sell, but it came from the equivalent legislation in England. Extensive research in 2005 led to the House of Commons producing the 10% figure. The Commons considered reducing the figure to 7.5% but felt that 10% was fair.

It comes back to the point that the site owner, who provides a service and a lifestyle, relies on a certain number of sales to keep pitch fees lower than they would otherwise be. That means that sales effectively subsidise pitch fees, even in the holiday sector, where it is not specified in law but should be in the written agreement. In fact, the industry guide for the holiday sector is 15% commission. That is connected to the fact that pitch fees in Northern Ireland are significantly lower than they are anywhere else.

In trying to work out the best way to proceed, we reviewed the possible models and considered whether it would be better to have no commission on sales but have higher pitch fees. We accepted the House of Commons recommendation of having 10% commission on the sale of permanent residential park homes. We also accepted that that should be in the contracts. It is up to the individual to negotiate what is in their contracts. We want strong guidance from DETI's Trading Standards Service on how that would be applied. I accept that that is a hard sell, because most people believe that there should be no commission, but landlords rely either on the money that that commission generates or on pitch fees. Rents would be significantly dearer if that commission were not applied. It is about balancing the two and being as fair as possible.

Ms Lo:

The site owners do not have to do anything in any sale, so the 10% commission seems quite a lot

to me.

Mr McCallister:

Site owners are responsible for maintaining the amenity and providing services such as grass cutting, for example.

Ms Lo:

That is what people pay rent for.

Mr McCallister:

Yes. Those services would be included in the rent, but rents would be higher in parks that have a limited number of pitches. It is a question of market forces and demand. We went to an industry meeting at which we heard the views of people on the other side of the matter who felt that the 10% commission was unduly tough. Restricting that income would mean that pitch fees would increase dramatically.

Ms Lo:

Should the current Private Tenancies (Northern Ireland) Order 2006 not cover the rent for residential park homes?

Mr McCallister:

People can fall between two stools. A person pays rent for a residential park home that he or she owns. That is why we need this private Member's Bill — a caravan owner is technically a homeowner, and, therefore, falls outside the scope of the rented sector. The caravan owner is only renting the pitch, which is the land on which the caravan is stationed. That is why people fall between two stools.

Ms Lo:

Should we not be thinking of legislation that will allow people to buy the pitch for a permanent residential caravan home?

Mr McCallister:

The difficulty with that is the management of the site. Someone in business might say that they want permission to develop a piece of land that they own. That means that the person who

develops the site will always own the land. The same situation might occur in housing developments, for example, where buying a site might lead to disputes over freehold. If the mobile home were twice the size of this room, for example, and were stationed on a site, who would decide how much land was owned and whether that included a garden around the home? Who would care for that garden if the caravan owner were to let it fall into disrepair? It is much neater if the ownership of the land is kept separate from the licensed use of the site. Given that a caravan owner does not own the land, they can move if they do not like the site. How would a landowner go about evicting a caravan owner if that person owned the land on which the caravan was pitched? There would be all sorts of issues about right of way and access, so it would be too hard to manage.

You hit the nail on the head when you talked about the need for the legislation. People fall between tenancy and the rented sector, and there is an issue of protection under the law. At the moment, no laws give the necessary protection.

The Chairperson:

I have a couple of questions to ask about issues that you raised in your evidence. You said that there had been about 75 or 80 complaints to the Trading Standards Service over the past number of years. What percentage of those complaints was to do with what could be described as contractual issues? How many had nothing to do with contracts but were concerned with other grumbling complaints such as noisy neighbours and so on? Were the vast majority of problems to do with contracts?

Mr McCallister:

Probably 90% to nearly 100% of the complaints are to do with contracts. We talked to Mr David Livingstone from the Trading Standards Service. He is on what could be described as a Northern Ireland industry forum. He came to meet residents' groups, and he made the point that most problems were contractual ones. The BH&HPA and the NCC, along with the OFT, have created a model contract. It is not as though its implementation will be a burden on the industry. Most of what is needed exists, but it is just not being done in enough places.

Many complaints are of a contractual nature; that is why we hope that when the private Member's Bill beds down, the majority of complaints would disappear simply because people would have the contracts in front of them in black and white. It is often the case that people think

that they have agreed to two different things unless they see them in writing. I hope that the Bill will clarify many of those issues.

The Chairperson:

From one perspective, 75 or 80 complaints a year is a lot. However, given the total number of caravans that exist, plus those that come in and out, that number is probably small enough.

Mr McCallister:

It is a small number, given the size of the holiday consumer sector. However, having spoken to residents of several sites, we found that on some sites there was a level of what might be described as slight intimidation. People felt that if they complained, they would be viewed as troublemakers and would not get their site licence renewed the following year. We came across a number of people who made that clear. We want to have the protection that contracts bring so that both parties know what they have signed up to. The way that things are done at the moment is not an acceptable way of doing business. I stress that the vast majority of site owners run excellent facilities, and it is not fair to them to have to compete with people who do not adhere to best practice. We have been in every part of Northern Ireland and have spoken to industry representatives, to caravanners and to the Equality Commission.

The Committee may be interested to know that the Equality Commission was pleased that the Bill will in no way disadvantage the Travelling community and will include some provision for their sites, which are run mainly by the Housing Executive. If the Bill has not been amended already to include some of those sites, it will be.

The Chairperson:

You said that the overwhelming majority of caravan park owners are good, sound and solid businessmen. You also said that, even though a model contract was available, less than 30% of caravan owners had written agreements. On the one hand, that seems low, but it shows that in more than a quarter of cases, site owners are entering into contracts with the caravan owners who rent pitches.

However, in some cases, caravan owners are not being offered the model contract, and you will, obviously, need to address that. In other cases, they have been offered it but have not bothered with it. Please correct me if I am wrong at any stage, but if, or when, the Bill goes

through, would everyone need to have a contract in place by a certain time?

Mr McCallister:

They would have to have a contract in place within six months.

The Chairperson:

What consideration has been given to the cost impact that that would have on the industry and on caravan owners? One might say that site owners could get that cost through pitch fees. Given that less than 30% of caravan owners have contracts, something will have to be put in place fairly quickly for the remaining 70%. How much will that process cost both the average caravan owner and the total percentage of people who are currently without contracts?

Mr McCallister:

I accept your points about the 25% to 30% who have contracts. We heard that some site owners were not offering contracts. However, we also heard that some caravan owners and holidaymakers who were offered a contract did not see the need for it, because they had a good relationship with their site owner and did not want to take the route of having a written contract. The point of the Bill is to make it clear that contracts are good for both parties, because they set out the terms of the relationship clearly and transparently. It is a win-win situation for both parties, because they both know what is being offered and what they are signing up to.

The cost of drawing up contracts will be minimal because a model contract to which the industry and OFT agreed already exists. Owners can simply ring up and get the contract sorted. Companies will have to pay an administration cost to get contracts up and running, but it must be remembered that all site owners, even those who do not operate on a contracts basis, issue annual site licences at this time of year. Contracts will actually remove the need to issue site licences and thereby replace them. An initial workload will be involved in getting everyone to buy in to that, but caravan owners and site owners will have no great difficulty in getting their hands on a contract. Once in place, contracts are easier to administer than site licences; after the first year they automatically roll over to the next. That will, therefore, reduce the workload of and the cost to businesses after the first year. I think that that is why Minister Foster supported the proposal; it provides a win-win situation without placing excessive costs on the industry.

If the Bill passes all the legislative Stages, it could be in place for the autumn. If the Bill were

agreed at Second Stage, the decision as to how quickly it could pass Committee Stage would be in the Committee's hands. If the Bill passes Committee Stage, it would then be six months before it received Royal Assent and before we could implement any changes. Site owners in my constituency have already begun the process of drawing up contracts and getting into the routine of administering them. They are also trying to find way of getting their caravan owners to buy in to it and of addressing some of the teething problems that you mentioned. Therefore, there are signs that work is starting to happen on the ground in anticipation of the legislation. There has been fairly widespread support for the Bill from Ministers, the Executive and Committees. There is a strong possibility that we can get it through, providing that the Assembly is still here.

The Chairperson:

I will do you a deal on your Bill, John.

Mr Armstrong:

Is it right to say that the contracts are for one year?

Mr McCallister:

The contracts for residential caravans are different to those for holiday caravans. Contracts for a new caravan or holiday caravans might be set for 10 or 15 years. However, contracts for residential caravans roll on; that is a one-off contract.

Mr Armstrong:

Are services in holiday caravans cut off in the winter months?

Mr McCallister:

Yes.

Mr Armstrong:

That is normal. Services in the park homes, however, are provided for 365 days a year.

Mr McCallister:

The products are different. The services in park homes are available all the time. The contracts for holiday caravans state the length of time that services will be provided. In Northern Ireland, St Patrick's Day roughly marks the beginning of the holiday period for the seasonal sites and late

October or the Halloween weekend marks the end. Occupation is accepted during that period. We do not want people abusing the system. We want councils to have the power to issue the appropriate licences to the site. Therefore, nobody should be living the year round on a holiday site, because those caravans are not made for such living. Living in that way would lead to health problems, because those caravans are designed for holiday use; they are not built to the same standard as mobile homes.

Contracts for mobile homes, in which people permanently reside, state that services will run continuously. Those people have stronger protection, because the mobile home is their permanent home.

Ms Annette Holden (Ulster Unionist Party):

There are two site licences. The site licence that the council issues for a residential park is completely different to the site licence for a holiday park. It authorises occupancy and use of the caravan for a specific period only, and that is why the services are cut off for the holiday park.

Mr Armstrong:

We do not have many of them in Mid Ulster.

The Chairperson:

The people there do not know what they are missing.

Mr McCallister:

There are not many in that area. However, some parks have developed over the years. We want the two definitions and licences, so that no one can abuse a licence that the council granted for the holiday sector to the extent that they are, in fact, living on the site. The product that an individual buys in the holiday sector is not designed for cold weather such as that endured this winter.

Ms Lo:

Perhaps it would be useful for the site owners to think about including an antisocial behaviour clause in their contracts. A lot of private landlords here are saying that such clauses should be in their contracts so that tenants could be evicted if necessary.

Mr McCallister:

The agreements include antisocial clauses already. The agreements for the permanent residential sector state that neighbours of the individual concerned have the right to live and enjoy life free from harassment. When signing up to a contract in the holiday sector, individuals will see the code of conduct that they are expected to follow and the standard to which they are expected to adhere. If the individual breaches those rules, the site owner has the legitimate right to say that the individual did something on a particular date. The individual might get a warning or be evicted from the site. The inclusion of such clauses in contracts gives other owners and neighbours of the individual the freedom to enjoy life free from harassment. It is key that everyone is free from harassment, whether they are in their permanent homes or on holiday.

The Chairperson:

Thank you very much, John. That is very useful, and I hope that it has cleared up members' concerns about some previous evidence that we received. What sort of timetable do you have in mind for the Bill? When will the Bill be introduced to the House?

Mr McCallister:

We are at the stage of the developing the explanatory and financial memorandum. Thereafter, because of the fines that exist for the residential sector, we must send a letter to the Secretary of State to get consent on the fines issue, after which the Speaker will review it. That should be finished in the next couple of weeks. If the First Stage does not happen before Easter recess, we anticipate that it will happen pretty much immediately after Easter. The Second Stage could be a month after that, and, when that hurdle is cleared, the Committee can have the Bill for a number of weeks.

The Chairperson:

It is like a caravan being moved around.

Mr McCallister:

It depends on how much time the Committee takes to scrutinise the Bill; it may need longer than the normal six weeks. However, that is the time frame that we are hoping for. We hope that the Bill has reached Committee Stage by early or mid-May.

The Chairperson:

I think that you are saying that it will fall into the summer recess.

John and Annette, thank you very much for your time. That session has been useful and helpful, and, as Anna said, the legislation that is proceeding at the minute does not receive enough praise. I encourage you to continue what you are doing, and I wish you all the best with it. We will meet to discuss the matter again soon.

Mr McCallister:

Thank you, Chairman and members. If the Committee thinks that it would be useful, I am more than happy to come back during the scrutiny stage or at any time.