



Northern Ireland
Assembly

**COMMITTEE FOR
SOCIAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

Caravans Bill

1 July 2010

NORTHERN IRELAND ASSEMBLY

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SOCIAL DEVELOPMENT**

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Members present for all or part of the proceedings:

Mr Simon Hamilton (Chairperson)
Ms Carál Ní Chuilín (Deputy Chairperson)
Mrs Mary Bradley
Mr Mickey Brady
Mr Alex Easton
Mr Tommy Gallagher
Mr David Hilditch
Mr Fra McCann

Witnesses:

Mr Tony Beard)	
Mr James Kennedy)	British Holiday and Home Parks Association
Ms Ros Pritchard)	
Mr John Clement)	National Caravan Council
Ms Alicia Dunne)	
Mrs Valerie Boyd)	Seahaven Residents' Association
Mrs Jean McCallan)	

The Chairperson (Mr Hamilton):

We shall now hear evidence on the Caravans Bill from the British Holiday and Home Parks Association (BH&HPA). Joining us today are Tony Beard, who is the association's legal adviser; James Kennedy, who is the director of the association's Northern Ireland branch; and Ros Pritchard, who is the association's director general. You are very welcome.

Ms Ros Pritchard (British Holiday and Home Parks Association):

Thank you for the opportunity to brief the Committee on the views of members of the British Holiday and Home Parks Association.

The BH&HPA was founded in 1950, when groups of park owners working together at a local level federated to form a national trade association across the UK. The association has 1,942 members, who own or manage 2,955 parks. In addition to touring and tenting, those members provide pitches for 225,000 caravan holiday homes, and 49,000 residential park homes.

To underline the significant contribution made by caravan holiday homes in sustaining often rural communities where parks are located, research undertaken with the Wales Tourist Board in 2003 showed that each caravan holiday home contributed between £5,000 and £16,000 to the local economy and that parks and their customers sustained employment directly in the park and, more importantly, indirectly through their spend with local businesses.

With allowance for inflation and the impact of recession, Northern Ireland's 14,000 caravan holiday-home pitches will be making an equally significant contribution to the economy. There are currently 25 local branches, and the association's operation is based on the principles of democracy and devolution. For example, Northern Ireland members elect their officers to organise affairs locally.

James Kennedy was elected by industry colleagues to represent Northern Ireland on the UK BH&HPA board. James owns and manages five parks on the Ards Peninsula, in addition to having a caravan dealership. He trades in caravans and holiday homes. However, he is not here in his role as managing director of Sandycove Holiday Homes Ltd but as the park owner elected by industry colleagues to represent their interests. He knows far more than us about particular circumstances in Northern Ireland.

Tony Beard is the association's national legal adviser, so he may be able to help with questions on the application of the law. Tony and I have worked on the reform of the Mobile Homes Act 1983 in England and Wales and with the National Caravan Council (NCC) on developing modern written statements to meet the requirements of the 1983 Act. If Committee members are interested in seeing them, I have with me copies of contracts, including the written statement under the 1983 Act, that could be adapted for parks in Northern Ireland as soon as the final requirements of the Caravans Bill are known. I also have model contracts for holiday parks. The contracts were developed first in the 1980s and revised in the 1990s and in 2001.

We were consulted by, and met, the Office of Fair Trading (OFT) on its work in 2005 to publish 'Guidance on unfair terms in holiday caravan agreements', OFT734, which comprises 74 pages of guidance on the specific area that we are discussing. With the NCC, we consulted with the OFT on the new industry model licence agreements for caravan holiday homes, which were published in 2008. Again, I have copies. We can, therefore, answer questions on the application of the law to park business and on how the Caravans Bill might work in practice. In all of this, it is important to distinguish between proposals for residential park homes, which are covered in Part 1 and Part 3 of the Bill and which mirror proposals in the Mobile Homes Act 1983, and the proposals in Part 2, which are designed to address holiday caravans. Those proposals are unique to Northern Ireland.

The association was founded in the run-up to the Caravan Sites and Control of Development Act 1960, and membership has grown as business life has become ever more complicated through caravan Acts introduced — not in Northern Ireland — in 1968, 1975, 1983 and 2004. However, in Northern Ireland, there has been no caravan legislation since 1963, which is probably why trade association membership is so much lower here.

BH&HPA (NI) is the smallest branch in the association's UK membership, with 13 full members, who own or manage 21 parks, containing 3,532 caravan holiday-home pitches in addition to touring and tent pitches. Consequently, some 25% of people with caravan holiday-home pitches are represented by the association and have received the guidance and legal

assistance that we provide to members. That is one of the main reasons that the Caravans Bill will present such enormous cultural change to the industry and to consumers. With one Bill, Northern Irish legislation will catch up with 42 years of legislation on the other side of the water and leap ahead of existing holiday park legislation.

The association has long called for the Mobile Homes Act 1983 — equivalent to Part 1 and Part 3 of the Caravans Bill — to apply in Northern Ireland and for the statutory definition of a caravan, as outlined in Part 4 of the Bill, to be aligned with that in the rest of the UK. For a long time, we have also called for agreements between caravan holiday-home owners and park owners to be in writing. Therefore, we wholly support the objectives in Part 2 of the Bill. A written agreement provides clarity and certainty for both caravan owners and park owners. European Union law requires all agreements between businesses and consumers to be fair and transparent. As a result of working with the OFT's 74 pages of guidance, we have a great deal of experience in that domain.

Part 2, which sets out the requirement for agreements of a holiday nature for the duration of more than 28 days, will apply to caravan holiday homes. However, it will also apply to seasonal touring caravans that are kept on a park throughout the summer and, in some cases, to touring caravans that are stored on parks. In all cases, it is right that agreements should be in writing, meeting the legal requirements for fairness and transparency. We also have copies of the association's model agreements for seasonal tourers — tourers that are kept on a pitch throughout the summer — and for tourer storage. Those model agreements may be of interest to the Committee.

Our written evidence focused on three main areas. The first was the possible loophole in the Bill as drafted, which, we believe, may leave the law open to abuse. Although the Bill applies considerable rights to residential park owners on protected sites and holiday agreements on seasonal sites, it is silent on the question of holiday agreements. Many parks in Northern Ireland are or have the potential to be protected sites by virtue of their planning or site licence. It is essential that all caravan owners have equal rights, irrespective of the specifics of site licence or

planning agreement. However, having listened to the evidence given to the Committee for Enterprise, Trade and Investment last week, it seems that that potential loophole is to be addressed, so I will say no more on it. Perhaps, that is the amendment that the Chairperson mentioned earlier.

The second area is to underline the degree of culture change that the Bill will introduce, and, therefore, the need for sufficient time and guidance to support park owners and caravan holiday-home owners. As David Livingstone of Trading Standards Service told the Committee last week, many park owners will have inherited their business and will be managing a happy park along the same lines as their parents and grandparents. The majority of those are small, family-run businesses that thrive and survive only because of their good relations with customers.

Similarly, many caravan owners will have sited their caravan on the same, beloved pitch for generations. Such arrangements would have been first established through a gentleman's agreement struck years ago and sustained harmoniously over decades. It is against that background and in the ignorance of the potential for abuse that comes from an oral agreement that neither the park owner nor the customer will understand the need for change or the need to put in writing arrangements that have worked so well for so long. For many, that constitutes deep change.

We have countless reports of customers who refuse written agreements that they have been offered with their purchase, even when the advantages and protections that written agreements afford are explained. As drafted, the Bill allows us only five months from Royal Assent to give guidance in preparation for our members and for them to give guidance to their customers. That process cannot be started until the Bill becomes law, because to issue a written statement now only for it to be changed if the Bill is amended as it passes through the House would simply confuse matters further. We have experience of the changes introduced in England and Wales in 2006 to the Mobile Homes Act 1983, where the requirement for written agreements was already in place. Frankly, however, six months was not long enough to get the message across.

Many of the parks affected are managed by a husband and wife team who may not have a computer, but even if they do, they are probably not particularly computer literate. The Bill seeks, rightly, to change the way in which they run their business, but such managers will need guidance. They will need model contract texts. They will need to get their heads around and understand the unfair terms in consumer contract regulations, and that will be a challenge to them all. They will need to tailor a contract to each of their holiday caravan owners on the park. In the interest of good relations, they will need to spend time with each customer to explain the reasons for the change and what the contract means. Many of them will not achieve that within five months, particularly, as I understand will be the case, if those five months fall in the peak season between spring and autumn next year. Therefore, we respectfully suggest that a longer period of one year be set aside after Royal Assent. That would give 11 months for preparation and provide a more achievable time frame for implementing such an enormous change. It would mean that the deadline for written agreements would fall in the spring, which is the logical time, being the beginning of the holiday season.

Thirdly, we also talked about questions of the not significant costs of the changes required by the Bill. We recognise that those costs are necessary to meet important objectives that will serve the industry and the consumer. However, again, spreading the costs over a longer period would be better.

In summary, the BH&HPA has long called for legislation such as that now before Stormont. If the potential loophole can be closed, all the better. Having supported parks through the transitions to their business, in their development and reform under the Mobile Homes Act 1983 and in the many iterations of the unfair terms in consumer contract regulations, we can adapt guidance and prepare model written statements for member parks in Northern Ireland.

However, we ask for careful consideration to allow sufficient time for the fullest support and guidance and for a timetable that fits with the seasonal holiday industry so that everything possible can be done in preparation for what is untried legislation. Part 2 of the Bill has never been seen elsewhere in the UK and will be an enormous culture change for the industry and

consumers.

The Chairperson:

Thank you for that run-through. In your written and oral evidence, you emphasise timing. Personally, I have some sympathy for your argument that Part 2 will be radical for many people because of the difference between what happens now and what will be required from park owners.

I take comfort from your saying that you are not dissatisfied with the legislation and what it will do and that it is just a matter of how it can be implemented in the most straightforward way. How can you, as a body that represents so many site owners, help the industry to tool up for the change? Without pre-empting anything, I expect that the legislation will be passed, so those changes will come into force. We can debate the question of timing separately. The legislation will come, irrespective of when, so you will have to try to start that cultural change. With the expectation that the Bill will pass, how can you now help the industry to turn itself around?

I said at last week's Committee meeting that many site owners already offer contracts. Some are already prepared, but others are not, so, for the latter, the legislation will be a complete cultural change. How can you help those who are not prepared to get ready, whether in six months' or 12 months' time?

Ms Pritchard:

We can help by getting advice and information out there. However, it is one thing to take horses to water; it is another to make them drink. We publish, but all our publications go to association members only, and they are the minority in Northern Ireland. The industry is small enough to work like a village — the same as across the UK — and the rumour explaining what is to come will go around. It is one thing to say that agreements must be in writing, but the Committee should not underestimate how interesting the transition will be.

All that we can do is talk to people, publish guidance, and provide model contracts. Our website has a facility for members to find a contract and tailor it to their own needs. For example, members can put in names and addresses. However, park owners have to be computer literate in order to do that. If they are not ready for that, and are sitting in the sticks with a happy park, having never had a problem, they will have to be got to stage one first, which is being made aware. Hopefully, the legislative process is already making people aware, but not every park owner in Northern Ireland has quite caught up with where we are at.

Mr James Kennedy (British Holiday and Home Parks Association):

Our business generally in Northern Ireland is quite small. You call them small and medium-sized enterprises (SMEs), but they are not even medium-sized businesses. Many of the very small businesses say, “Surely this will not apply to me; I am only a small-park operator.” We find that the park operation business is perhaps run in conjunction with a farming business, or as a sideline.

I know of small caravan parks with 15 caravans. I talk to people on an ongoing basis, and I am certainly getting the message across that the legislation will apply to everyone, no matter how big or small the business. It will be difficult. One thing that I have been doing over a long period is encouraging membership of the trade associations, and by that I mean both trade associations, not specifically the one that we represent. There is a bit of a reticence in Northern Ireland to joining a trade association. Perhaps it is a question of cost. Membership is very worthwhile, however, and not that expensive when one looks at the benefits that it can bring. Therefore, we are encouraging take-up of membership, because the wealth of knowledge coming from our head office is quite incredible.

The Chairperson:

To pick up on something that Ros said, if the Bill goes through, the horse will have to drink. If the Committee and the Assembly were to consider an extension to the six-month implementation period, it would have to be on the basis of appreciating that the difference between six and 12 months would be significant for the industry. If extending the period to 12 months or longer ensured that everyone was on board and understood what was going on, that would justify the

extension. However, if people were still dragging their feet after 12 months, not understanding or not wanting to understand, that would not be a good reason for an extension, and six months would remain a valid period.

Ms Pritchard:

You should take a step back and look at what has to be done in those five months. We did that with the changes to the Mobile Homes Act 1983. We cannot start until we know for certain what the Bill will say when it becomes an Act; otherwise, it is a waste of effort, because Stormont may make changes during the process. We would then have to take the existing model agreements and adapt them. Hopefully, there will not be a great deal of adaptation, but that is in your hands, not in our hands. We would then draft and publish guidance so that there is a document to which people can refer. Tony, you have an explanation about what each park would have to do.

Mr Tony Beard (British Holiday and Home Parks Association):

In the residential sector, the written statement is dictated to a great extent by the legislation. The schedule to the Act decides that. The individual park owner in that sector will decide for his residents the express terms, which are the specially agreed terms between the park owner and the resident, outside of what we would produce as a model set of terms. That may sound like an easy process, but every park and every agreement is individual, and it is necessary to analyse each park and to consider with each individual customer how to reflect that agreement in the express terms. Any deviation from those terms may result in a court case, and in expense and unpleasantness for both parties at the outset of a new chapter in their relationship.

The problem is probably more difficult in the holiday sector, because one is not laying down a schedule of terms for the holiday sector but is saying to the parties that they must write their own express terms according to the arrangements that exist between them. Where those arrangements at present constitute nothing more than a handshake, it really is necessary to start from scratch, hopefully in consultation with the individual holiday-home customer, and to make up the express terms from there.

The risk for the park is that that is a self-enforcing arrangement. If the park owner does not put in all the express terms that apply, he will never be able to enforce them. If it is an important matter, such as a service charge, payments for utilities, or any number of issues that standard agreements cover, he cannot come back at a later stage and say that he left it out of the contract. There is a great deal of homework to do there, and it is a matter of judgement about how long it will take for that information to get out into the park-owning domain, how long it will take to filter through, and then how long it will take for the work to start. Doubtless, some people will be able to do that in six months, but others will need longer, and there are bound to be some who fall off the end of the pier and do not manage it in time. The point is that there is much to do.

Mr Easton:

I represent North Down and dealt with the unfortunate issue in Seahaven, which was taken over by a new owner from the previous owner who had verbally agreed that people, particularly the elderly, could live there for the rest of their days without having to change caravans. We had the sad issue of the new owner telling people to upgrade their caravans or leave the park. Residents were not afforded the opportunity of removing their caravans, which forced them to sell to the park owner for a derogatory amount. I helped several people, for instance, to get new homes from the Housing Executive. That is why I welcome the Bill.

For how long does the association believe that contracts should run before owners must decide whether to upgrade their caravan? Do you agree that people should not be forced to upgrade, particularly if their caravan is in good order and looks well?

Who should enforce the legislation? Should councils or some other body be responsible for that? Finally, I do not believe that site owners should get any commission on the sale of caravans on their park. Do you think that the proposed 10% is derogatory? Should be more or is the percentage about right?

Ms Pritchard:

I will pick up on those questions, and my colleagues will then come in. I believe that you are

talking about contracts under Part 2 of the Bill. A contract should be for the duration agreed between the two parties at the outset. We have always advised that that should be a minimum of 10 years from first purchase. However, if a park owner negotiated with a purchaser who wanted a 20-year contract, I would have thought that the longer contract would be more valuable than a 10-year one, and I anticipate that that would be reflected in negotiation. That is one of the joys of what, as drafted, Part 2 of the Bill will achieve. For existing customers, the contract will be as long as agreed at the outset. Although in some cases that will not have been written down, a period needs to be negotiated and made a matter of contract.

An awful lot of the Seahaven example sounds to me like a breach of the Unfair Terms in Consumer Contracts Regulations 1999. I do not know when that happened, but it sounds to me as if it was in breach of the law, whether the agreement was oral or in writing. Nobody can force me to sell my car to somebody else, any more than anybody can force me to sell my caravan to someone. That is the law. However, the law is only as good as its enforcement, which brings me to your second question.

Trading Standards Service normally has the knowledge to look at contract terms and understand the 1999 regulations — it knows how to apply the two. As I said, the guidance runs to 74 pages. We work very hard with the OFT, and I would not say that that guidance is simple or easy to understand. People will get understand it better with experience, but the joy is that the way in which the regulations work means that if a contract term is unfair it is unenforceable and not worth the paper it is written on. Were some of the matters that the member cited as abuses to be written into a contract, the terms would not stand up in court, which is where the dispute would ultimately end up. Normally, Trading Standards Service applies appropriate pressure to the business and the issue does not get that far.

The commission is a much older question and is to do with the way in which the economics of the industry have evolved over many years. The figure of 10% is the maximum in statute for residential parks, and that was investigated at least twice, most recently in England and Wales in a Westminster review in which economic research showed that it was a necessary element of the

financing of residential parks. For holiday parks, it should be a clear matter for negotiation, but, to be honest, it does not happen often, because there are not many on-park sales. There should be, but they just do not happen. People tend to hang on to their holiday home because they bought it and want to enjoy it. Nevertheless, it should be a matter for negotiation, and it should be shown clearly in a contract.

The Chairperson:

Did you mention enforcement?

Mr Beard:

In my experience, Trading Standards Service is very hot on unfair contract terms. A written contract is the starting point, and if that contains potentially unfair terms, Trading Standards Service writes to the offending business to point out where there is non-compliance and seeks an undertaking that the business will not rely on the offending terms in future. It does that in conjunction with the Office of Fair Trading. Between the two of them, the powers are extensive, and people who receive a letter seeking an undertaking will be advised swiftly that the bodies mean business.

Mr F McCann:

I sometimes wonder why we are going through the Bill. According to your opening remarks, site owners and the people who live on sites are happy — everyone is happy. However, that is not the case. I accept that, on sites across the North, many people are perfectly happy, but it is a fact of life that John McCallister would not have introduced his Bill if the people around the table and others had not received numerous complaints about the behaviour of some site owners in the North.

It may take six months from Royal Assent for the legislation to be enforced. As I understand it, people have known about the bones of it for months. Why are they not preparing for it? I shall quote from the evidence that a Trading Standards Service representative gave to this Committee

last week:

“It would be foolish in the extreme for me to wait for Royal Assent to start getting active, engaging, cajoling, encouraging, directing, educating and all those things that I referred to. It would also be foolish in the extreme and somewhat irresponsible of the sector not to start tooling itself up right now, because it is totally aware of what is coming. This is not rocket science. They already know the terms and conditions because they are using, implementing and enforcing them; all that we are asking them to do is write them down and give them to the people on their sites. That is neither difficult nor burdensome.”

Ms Pritchard:

Forgive me, but I presume that the passage of a Bill through Stormont is not a rubber-stamping process. You can amend it?

Mr F McCann:

Yes.

Ms Pritchard:

Therefore, would it not be completely wrong to judge that the Bill as drafted is what the law will be?

Mr F McCann:

You know the bare bones of it. The Bill has been reduced somewhat since it came before us initially, but most of what is in it is already known to most people. You would think that they would have started to prepare for it by now. It will take five months until it gains Royal Assent and a further six months until it comes into effect. That amounts to 11 months, and we have already been dealing with it for months.

Ms Pritchard:

If there is a long time between the Bill's gaining Royal Assent and its introductory date, it may

give people enough time to prepare for it. However, I assume that it may be modified as it passes through Stormont.

Are we to assume that radical modification is unlikely? That is the issue. Yes, we can tell park owners all that contracts must be in writing, but one would possibly expect change to be introduced as the Bill goes through the legislative process.

Mr F McCann:

It is highly unlikely that there will be radical changes to the Bill as it stands.

The Chairperson:

The Bill could be radically changed or it could be turned down and rejected. It would be a fair summary of the evidence that the Committee has received so far to say that significant amendments have not been suggested to us. For what it is worth, I do not expect changes to what is in front of us, which, as Fra said, gives you some degree of certainty.

Ms Pritchard:

That is very helpful; thank you. On the question of why the legislation is needed, I think that it is the case that the majority of parks and customers are happy. Was it not in the same presentation that the Committee learned that 90% of complaints are coming from 10% of the parks? The industry is supporting the legislation because we recognise that, in its absence, the situation is open to abuse, and the reputation of a whole industry is affected if there are bad apples in the barrel. That is why there is industry support for appropriate protections to be introduced.

Mr J Kennedy:

Following Mr Livingstone from Trading Standards Service's appearance before the Committee last week, I will be meeting him next Tuesday to talk about the process. We want to encourage and educate, with Trading Standards Service, the industry in Northern Ireland. You could say,

therefore, that the process has already started.

Mr F McCann:

Therefore, by the time that Royal Assent comes through and accounting for the six-month period thereafter, almost a year will have passed. I still return to the comment that Mr Livingstone made about this not being rocket science. Park owners already know the terms and conditions, because they are using, implementing and enforcing them as we speak.

Mr J Kennedy:

I understand and appreciate that, but I take on board what Ros said: if there are to be no changes to the Bill, we can start today. Until the Bill receives Royal Assent, are we sure that there will be no changes?

Ms Pritchard:

It is not fair to say that it is not rocket science. We have worked on contracts for the parks industry for years. If there are oral agreements and a happy park with happy customers, the changes will be rocket science to some people, and an enormous education process needs to be undertaken. It is good news that the public sector enforcers are starting to talk to the industry, because if there are 70 to 100 parks, 70 to 100 conversations need to take place face to face in order to start to get people's heads around what is involved.

Mr F McCann:

The other thing that Mr Livingstone said is that we are not talking about doing this to 100 sites. Therefore, there are not 100 sites involved. He said that many are already members of the National Caravan Council and the British Holiday and Home Parks Association, which have given an unreserved commitment to work with their members on this matter. The Department for Social Development and Trading Standards Service said that they will be actively promoting the Bill right through to Royal Assent to ensure that people are ready. Therefore, I do not know why you are asking for a time extension.

Mrs M Bradley:

Alex asked about people being made to upgrade their caravan homes after a certain time. I do not think that you answered that, Ros. If you did, I missed it.

Ms Pritchard:

The question was how long should the duration of a contract be. I gave the example of a 10-year or 20-year contract.

Mrs M Bradley:

That is about the pitches.

Ms Pritchard:

Yes.

Mrs M Bradley:

What about the caravan or mobile home itself, when people on sites are made to change their home and told that they must upgrade to a certain standard?

Ms Pritchard:

That would be in breach of the Unfair Terms in Consumer Contracts Regulations, because the standard of the caravan should not be an issue. However, if the consumer purchased a caravan holiday home and negotiated a written agreement to have the use of that pitch for 10 years or for 20 years, after 10 years or 20 years — whichever is the agreed duration of the contract — a fresh negotiation must take place.

Mrs M Bradley:

I have concerns about extending the six-month period to a year, because the same problem will

come back to us in a year's time, and changes will still not have been implemented. That will be down to those people who own the parks who are still not ready.

The Committee has concerns about how such parks are being run. It was not just 10% of people who complained. I cannot say exactly the percentage involved, but an enormous number of people had serious concerns that needed to be addressed. The Bill's purpose is to ensure that everybody is treated fairly.

Mr Beard:

I wish to comment on the way in which our agreements work, because I believe that it is germane to your question. An agreement will state that there is a licence period of x number of years to station a caravan on a pitch, so there is no question of saying that that caravan must be changed. That is the way in which the industry requests —

Mrs M Bradley:

I am sorry for laughing, but that is not happening here.

Mr Beard:

Is addressing that not the purpose of your legislation?

Mrs M Bradley:

Yes, it is. The Bill is to get those things right so that people on sites —

Mr Beard:

Therefore, a contract that provided a loophole in the manner that you suggest would be an unfair contract. The contract that goes out to our members as the recommended form of contract will

provide an agreement term for a specific caravan.

Mrs M Bradley:

OK. Thank you.

Mr J Kennedy:

I have two comments to make on what has been said. During his evidence last week, Mr Livingstone said that there are between 50 and 80 complaints a year about pitches, and he has a better handle on that figure than anyone else. I am not saying that that is a small figure, but that is what Mr Livingstone said.

I am not here to talk about my own business, but I will bring the issues down to a very local level. I first introduced contracts to my caravan owners 15 years ago. Today, I have 618 signed contracts out of a possible 712, but it has taken me 15 years to get there. It is in only the past year that I have not insisted but encouraged everybody to sign a contract, and that is because I know that legislation is coming. Contracts are not going to be a big deal for my customers, but it will be an enormous task to get some people to sign. I have fourth-generation caravanners on one of my parks. That family was there before I was. Asking them to sign a contract was like asking them to fly to the moon. They just did not want to sign, so the task is enormous. I gleaned those facts from my own business.

The Chairperson:

All the Committee members have had their say. Ros, James and Tony, I thank you for your evidence and your time.

We will now hear evidence on the Caravans Bill from the National Caravan Council. I welcome John Clement, the council's legal adviser, and Alicia Dunne, its deputy director general. I remind the witnesses that the proceedings are being recorded for the purposes of the Hansard

report. I invite you to make a few introductory remarks, after which we will open the proceedings.

Ms Alicia Dunne (National Caravan Council):

Thank you, Chairman. I thank the Committee for the opportunity to address it on the Caravans Bill and to give evidence in support of our written submissions, particularly on the provisions that affect caravan holiday parks and caravan holiday-home owners.

I am grateful to my colleagues from the BH&HPA for outlining much of the detail about the impact that the Bill will have. Committee members may be comforted to know that I do not intend to rehearse all those suggested points.

By way of background, the National Caravan Council is the only trade body that represents the collective interests of the entire caravan industry supply chain in Great Britain. We were established in 1939, and our membership spans businesses that are involved with the four distinct products that are defined legally as a caravan, which are caravan holiday homes, residential park homes, touring caravans and motorhomes. Our membership takes in manufacturers; holiday and residential park owners and operators; dealerships; distributors; and suppliers of services and products to the industry.

In Northern Ireland, our membership covers just under 4,500 pitches on caravan parks. Our local representation here is led by our active and committed chairman, Terry O'Neill. He was due to be present this morning, but I regret to inform the Committee that he had a car accident on his way in. I am sure that the Committee and colleagues would like to know that he is well and safe. He sends his apologies because he will not be here to offer any evidence in support of him as a park operator. I am joined by John Clement, who is the NCC's legal adviser and has worked very closely with us for a number of years on a whole range of issues, particularly on legislative reform of the park home industry and on the production of model documentation and guidance to members.

On behalf of the council, we thank Mr John McCallister for championing the Caravans Bill. I am sure that many people will agree that the legislation is well overdue. It will introduce provisions for the residential sector that will bring it into line with legislation for the sector in the rest of the United Kingdom. Perhaps more importantly, the Bill will spearhead provisions for the caravan holiday sector, placing it ahead of the rest of the sector in the United Kingdom.

For more than 25 years, the NCC has lobbied for the rights and protections that are enjoyed by caravan owners in Great Britain to be extended to Northern Ireland. As a trade body, we have worked very closely with Mr McCallister and his office since 2008 to help shape and, in recent months, fine-tune the content of the Bill to achieve its overall objectives of transparency, protection and fairness to all who are involved in the industry.

Caravanning, in all its forms, is immensely popular across Great Britain and, obviously, here in Northern Ireland, whether for leisure, pleasure or as a permanent housing lifestyle of choice. It is a significant contributor to local and national economies, contributing in the region of £6 billion to the UK economy in new and used retail and sales, as well as through holiday spend. The industry employs more than 90,000 staff, including part-time and seasonal staff, and, particularly here in Northern Ireland, it offers a new and growing housing option. It is for all those factors that we want to grow and protect those lifestyle choices so that existing consumers and consumers of the future can enjoy the freedoms and flexibilities that they offer.

In addition to registering our support for the Bill and its overall aims, we wish to address the Committee on our main concern, which concerns the consequences of general planning permissions for caravan parks. Members have heard about it, and I do not wish to go into it in great detail. It is prevalent here in Northern Ireland. We want to address the impact of the proposed protections that are intended for the caravan holiday-home owners, which are outlined in clause 7 in Part 2 of the Bill. A potential loophole has been identified. If it is not addressed, it could risk undermining the certainty and consistency of the protections that are proposed in the Bill. It would also present significant enforcement issues for David Livingstone and his Trading Standards Service team, for the wider Department of Enterprise, Trade and Investment (DETI)

and for local government officers in seeking to ensure that caravan owners are offered the right and correct written agreements.

I am particularly grateful to the Committee Clerk for apprising the Committee of the NCC's suggested amendment to clause 7. We are very happy to answer any specific questions that the Committee has on our proposed amendment. The proposed tweak to the wording will offer policymakers and parliamentary draftsmen an effective solution to ensuring that the legislation will ultimately distinguish between seasonal sites, as defined in Part 2, and protected sites, as defined in Part 1, and will restore the intended protection of written agreements to be offered to caravan holiday-home owners on parks with general planning permissions.

The NCC shares the views of many MLAs, including those on the Committee, who want to see written agreements offered as a matter of course. For the record, the NCC has worked with relevant Departments in the rest of the United Kingdom, with residents' associations and with the Office of Fair Trading to develop model documentation for use on holiday and residential parks across Great Britain. Purchase and licence agreements are available and already being used by NCC members in Northern Ireland. The council intends to work closely with the relevant Departments and with David Livingstone and his team to offer our model documentation as a template for adaptation and adoption by all parks across Northern Ireland as part of the implementation programme. We, too, have copies of our model documentation for the Committee.

Furthermore, in the absence of, and, it must be said, in anticipation of, legislation to recognise permanent residential park-home living in Northern Ireland, the NCC commissioned John Clement to create an agreement based on the existing written agreement in place across the rest of the United Kingdom for NCC member parks to give to their permanent park-home residents in Northern Ireland. That agreement was formally recognised by DETI in 2008 and is in use today.

I hope that the Committee can hear from my tone of voice and what I have said that we are

passionate about securing proportionate, appropriate measures to secure the future and the development of the industry in Northern Ireland. We welcome the opportunity to contribute to such an important process at all stages. I thank the Committee for its time.

The Chairperson:

Thank you for your presentation and for the suggested amendment to clause 7, which is helpful. The Committee will consider that amendment along with others as it conducts its clause-by-clause scrutiny of the Bill. I will raise the same point that I raised in the previous evidence session: the council is also suggesting an extended introductory period for the legislation, for largely the same reasons as the BH&HPA witnesses. However, you also say that your organisation is more than content to work with Trading Standards Service and others to try to turn around the industry in a way that is as hassle-free as possible.

Ms Dunne:

Indeed.

The Chairperson:

Members may have been reticent about the concern that they feel when they hear that enforcement of the legislation may be done by the courts. It has been suggested that various elements could be enforced by, for example, local authorities. You suggest the involvement of the Residential Property Tribunal Service (RPTS). Is that the body that will have responsibility in England and Wales from 2011?

Ms Dunne:

Yes, that tribunal is confined to the residential sector. It provides an opportunity for dispute resolution on certain issues to be dealt with by the tribunal rather than go to court. John Clement will provide the legal perspective on that.

The Chairperson:

We have heard of the tribunal but do not have one here.

Ms Dunne:

It is on hold as a result of the general election.

Mr John Clement (National Caravan Council):

The proposal in England and Wales went out to consultation last year. The result was a proposal that the majority of disputes concerning residential park homes should, in due course, be transferred to the Residential Property Tribunal Service, which is already set up in England and Wales for other types of dispute. The one main exception will relate to cases concerning the proposed termination of an occupier's agreement. In England, it is proposed that responsibility for those cases will remain with the County Court. The idea, however, was that the RPTS would provide a cheaper, quicker and less stressful process than going to court.

Mr Hilditch:

I was going to ask about the RPTS. Is there a role for that tribunal in Northern Ireland? You mentioned its work on the mainland, but would it have powers in the Northern Ireland jurisdiction?

Mr Clement:

I do not know the answer to that. I am not a property lawyer, so I do not know whether there is jurisdiction in Northern Ireland or whether something similar would have to be set up.

Mr Gallagher:

In your submission, you suggest that the new residential agreements should apply only to new agreements. Are you assuming that written agreements with such tenants are already in place and that they should be left alone until the agreements expire, or are you talking about cases in which

there is no written agreement?

Ms Dunne:

Residential park-home living is a comparatively new form of housing tenure to be recognised in Northern Ireland, and member parks have created formal residential park-home estates. In the absence of the legislation that is in place in the rest of the United Kingdom, including the 1983 Act and the Caravan Sites Act 1968, which mentions twin-unit caravans, John Clement created a document that mirrors the written agreement for residential park home owners on the mainland. In effect, it fills the gap and gives slightly more protection than a consumer contract will. Therefore, yes, agreements are in place for certain permanent park-home residents, and we want to see agreements extended.

Mr Clement:

We will have to see how well existing agreements, where in use, reflect the legislation that is introduced. If the legislation contradicts existing agreements, they may need to be amended or revised. However, as they stand, they closely mirror the model standard that is already in use in England and Wales. For instance, they include most of the implied terms.

The Chairperson:

Part 1 and Part 3 draw on the GB legislation. When that legislation was passed, what was the sector's experience of court actions? Were there a significant number of actions? Were there more or fewer than you expected?

Mr Clement:

In fact, very few cases have come to court and been heard. Nevertheless, there have been one or two challenges, the most recent of which went to appeal last Friday. The case concerned the interpretation of the pitch-fee review clause, and it has now been determined. As far as the other changes to the legislation are concerned, very few cases have come to court.

The Chairperson:

Has Trading Standards Service conducted any negotiations or worked with people on problems, or have problems just not arisen?

Mr Clement:

Trading Standards Service was involved in producing the written statement, so any concerns that were raised were addressed at the time. As far as I am aware, since 2006, when the implied terms came in, no cases have come to court. Any queries have been more to do with interpreting the legislation.

The Chairperson:

Thank you for your evidence and for your suggested amendment to the Bill. We appreciate the two submissions that you made to the Committee and today's contribution.

Ms Dunne:

It was a pleasure. Thank you.

The Chairperson:

Members, we shall now take evidence from the Seahaven Residents' Association. Joining us are Mrs Valerie Boyd, who is the chairperson of the association, and Mrs Jean McCallan, who is the vice chairperson. You are both very welcome. I should point out that Hansard is recording proceedings, so everything that you say will be taken down in evidence.

Mr F McCann:

And used against you.

The Chairperson:

It will not be used against you.

Mrs Valerie Boyd (Seahaven Residents' Association):

Park homes are a completely new concept that came to Northern Ireland a few years ago. Seahaven is split into two sites: Ballyhalbert is all park homes, while Seahaven is different, because we have both park homes and residential statics. I live in a park home.

Mrs Jean McCallan (Seahaven Residents' Association):

I live in a mobile home.

Mrs Boyd:

I want the Committee to understand the difference between a residential static and a park home. When we bought our home, we were told that it would have a life of 70 years, because, like something from IKEA, our home came in two bits. They were stuck together, and our park home looks like a little bungalow, whereas, no harm, a caravan looks like a caravan.

Mr Easton was asking about the 10% commission charge. I disagree with it wholeheartedly. If a caravan is sold for £4,000 or £5,000, the site owner will get £400 or £500. The value of my house starts at £120,000, which means that the owner would get £12,000 for changing the name. I disagree with that. Could the words "10% but no more than £x" be inserted in the Bill, because all the site owner has to do for that 10% is to change the name on the property?

The agreement that we got did not mention a lifespan. It did say that the agreement would be reviewed in five years' time, but if our home ceased to look as it does now, we would be asked to refurbish the outside or be asked to move. The owner of our site has started to allow people to sell their caravans elsewhere, and people are now doing that, which is a good thing. However, a park home is not that easy to sell to someone who lives somewhere else. People want to live in

Seahaven, and that makes an awful difference to us.

There are approximately 140 pitches on our site, the majority of which are park homes. The schedule to the Bill mentions the retail prices index (RPI). Can the words “Northern Ireland” be inserted after “retail prices index” in the Bill? I know that that is only a little thing, but when our pitch fee went up two years ago, it went up by far more than the Northern Ireland rate. We were told that the rate applied had been found in a park-home magazine. Little things such as that would make a difference to all of us who are pensioners. As you know, one has to be over 45 years old to live in Seahaven. Most of us are a lot older than that and are settling down to our retirement. That is why we bought the place and hoped that we would have 70 years out of our park home. My lease is for five years, after which it will be reviewed.

I am grateful that the Caravans Bill has come forward. It is much needed, because I do not think that Jean has an agreement in place.

Mrs McCallan:

Nothing.

Mrs Boyd:

In fact, some people had to pay £2,000 for their site before they got moving on to them. Our home would not cost £120,000 if bought outside. It is that price because when our park home was brought on to the site, a brick skirt was put around it. Underneath, there is a chassis and wheels, so it can be towed away at any time, believe it or not. We are trying to get the difference between resident park homes and statics to be understood exactly.

A home is for sale at Seahaven at the moment, as, unfortunately, the owner died. His relatives will have to pay the site owner £11,000 if the home is sold, which is a lot of money just for changing a name. We would like the words “RPI Northern Ireland” to appear in the legislation.

We have sat on the residents' committee and have had a few discussions with owners, during which they told us that the RPI from anywhere could be used to determine the fee. I feel that it should be based on the RPI in Northern Ireland.

The Chairperson:

You would not want Zimbabwe's, for example. *[Laughter.]*

Mrs Boyd:

No, you are right. However, as Committee members know, there are two RPIs, so which one will be used?

The Chairperson:

There is one that includes house prices and another that does not.

Mrs Boyd:

There is one that includes mortgages. We could not get a mortgage on our house, apparently because we are too old, and I do not think that any mortgage company would approve a mortgage on a park home. Therefore, the other RPI would have to be used.

The Chairperson:

Thank you for your —

Mrs Boyd:

Another major point is that North Down Borough Council classifies our home as a proper building, which means that we pay rates as homeowners.

The Chairperson:

If only the Committee knew somebody on North Down Borough Council, it would try to get hold of that person. *[Laughter.]*

Mrs Boyd:

We pay bungalow rates, whereas Ards Borough Council decreed that homes in Ballyhalbert were caravans.

The Chairperson:

You see, that is Ards. Ards is a good —

Mrs Boyd:

Our home is a caravan, because its steps are not attached. There is a gap, and I do not know how many keys I have lost down that little gap. If one takes a close look at the steps, it can be seen that nothing is attached on to the park home.

Moreover, will the owner have to abide by the legislation?

The Chairperson:

Thanks for the clarity of your evidence. It is valuable for the Committee to hear evidence from those whose experience has inspired the Bill. Members listen to what almost amounts to theory at a certain level about —

Mrs Boyd:

You can now see the difference between —

Mrs McCallan:

I am one of those unfortunate people who accepted a word-of-mouth agreement when we bought our home. I was told that we could stay as long as we liked.

Mrs M Bradley:

Aye, but —

Mrs McCallan:

Consequently, we bought my son a home when we sold ours, so now he has a home and I am in a caravan. What security do I have?

The Chairperson:

I am glad that you are happy with the legislation and that it will provide some security that will mean that people in the future will not have to go through what you have gone through.

Mrs McCallan:

So many people down there who were in mobile homes similar to mine left the park when this reign of terror was introduced. The park-home owner then bought their mobiles. A guy took on the park owner by telling him that under no circumstances would he get a ha'penny. That man sold his home on the Internet and had it taken away. Several more have gone since then, but the place is now like Beirut. It looks dreadful. However, the war seems to have calmed down a bit. I do not know how bad it will become in the future, but it was a reign of terror for a while. I think that the Chairperson agrees with me about that. We have previously had meetings about it.

The Chairperson:

Alex Easton and I would not qualify to live in Seahaven, although I think that everybody else on the Committee does.

Mr F McCann:

Is that because of age? *[Laughter.]*

The Chairperson:

Yes.

Mrs McCallan:

I honestly do not think that Seahaven —

The Chairperson:

You can ask Alex about the rates here. *[Laughter.]*

Mrs Boyd:

He will be glad to hear that. However, as I said, we must ensure that park homes are included in the legislation.

The Chairperson:

They are.

Mrs Boyd:

A couple of years down the line, I do not want to hear the park owner say that we are not covered by the legislation, so I will use whatever RPI I want.

The Chairperson:

The Bill's main focus is on park homes.

Mr Easton:

Thank you for coming. I realise what an awful time you have had over the past couple of years. It has been horrendous. First, I will look into the rates issue for you. *[Laughter.]*

Mrs McCallan:

We have achieved something.

Ms Ní Chuilín:

Has that been recorded by Hansard?

Mr Easton:

I agree with your point about the 10% commission for park homes. Those are your homes and your caravans, so you should get their full sale price

Mrs Boyd:

Even if we went through an estate agent, which many people do, we would pay only 0.75% or 1%.

Mrs McCallan:

Not 10%.

Mrs Boyd:

Not 10% just to change a name.

Mrs McCallan:

Excuse me for interrupting you, Valerie. A number of years ago, a friend of mine sold a mobile

home. In those days, people were allowed to sell them to other people. She was in the office with the previous owners on the afternoon on which the sale was going through, and she was told that the fee was to be 10%. The next morning, when she went to the office to sign the contract, she was told that there had been a mistake and that the fee was 15%. That happened overnight.

Mrs M Bradley:

Perhaps that is what is happening everywhere.

Mr Easton:

Ten years has been bandied about as a possible figure to be included in the written agreement that would be required under the legislation. Ten years is not enough.

Mrs McCallan:

Definitely not.

Mr Easton:

Perhaps John McCallister will look at that.

Mrs Boyd:

We would like to spend the rest of our days there.

Mr Easton:

Absolutely.

Mrs Boyd:

We do not really want to have to move out. We have been there for four years, and I do not want

to have to move out in five or six years.

Mr Easton:

That is something that the Bill will have to look at more closely. I do not want to see anybody else feeling that they have to leave and then get ripped off at silly prices.

You touched on the issue of the site owner who did not allow caravans to be taken off his site and people being forced to sell their caravan to him.

Mrs Boyd:

At that time, yes, but now the situation has changed.

Mr Easton:

It is now voluntary? However, we need to ensure that the Bill will allow people to take their caravan off a site if they decide to sell it or want to go elsewhere. They have to have the freedom to do that.

Mrs Boyd:

Again, it was put to us that if we did not pay our bills, for example, our park home would be moved out on to the road, and then we could do whatever we wanted with it. Where would we go with a park home? There are only two sites here currently. There are many residential sites for caravans but not for park homes, and the same person owns the two park-home sites.

Mr Easton:

Chairperson, this evidence session has been very valuable, because we are getting the in-depth views of residents. We need to look more closely at some areas of the Bill. Thank you. We will

keep fighting for you.

Mrs Boyd:

If you would, please keep me advised. Thank you very much.

Mr F McCann:

Like Alex, I am glad that you came here today, because, listening to the previous evidence sessions, one would have thought that people were happy and content with their lot. As I said last week, it is probably lost on people that those caravans are your home — you live there.

Mrs Boyd:

Yes, it is. I have no place else to go.

Mr F McCann:

You should be afforded the same protections as anyone else would expect in their home. That is important. I know that we have kept a fairly keen eye on the proceedings. John McCallister has done quite a lot of work in putting together the Bill and in taking it through to this stage. We will certainly examine it.

The Chairperson:

Thank you for that. It was very useful to hear from people who are at the coalface.

Mrs McCallan:

Thank you.

Mrs Boyd:

Thank you.