

ALL-PARTY PARLIAMENTARY GROUP ON PARK HOMES

The minutes of the AGM of the All-Party Parliamentary Group on Park Homes which took place in Room S, Portcullis House, Westminster, on Monday, 22 October 2018, commencing at 2.00pm.

PRESENT: Sir Christopher Chope MP (convenor and Chairman)
Peter Aldous MP
Sir Peter Bottomley MP
Chris Davies MP
Helen Whately MP
Heather Wheeler MP, Parliamentary Under Secretary of State at the Ministry of Housing and Local Government

Elena Bunfury, representing Lee Rowley MP

Julie Dufty, MHCLG
Emma Garrett, MHCLG
William Tandoh, MHCLG
Matthew Hall, Welsh Government

Brian Doick MBE, National Association of Park Home Residents (NAPHR)
Alicia Dunne, National Caravan Council (NCC)
Richard Hand, Lease
Sonia McColl OBE, Park Home Owners' Justice Campaign (PHOJC)
Ros Pritchard OBE, British Holiday & Home Parks Association (BH&HPA)
Anne Webb, volunteer

APOLOGIES: Richard Benyon MP
Steve Brine MP
Lee Rowley MP
The Lord Teverson
Mervyn Kohler, AgeUK
Lisa Osborn, North Somerset Council
Alan Savory MBE (Independent Park Home Advisory Service (IPHAS))
Hilary Tanner, LGA

1. Approval of Minutes

The meeting unanimously approved the minutes of the last meeting of the All-Party Parliamentary Group on Park Homes which took place in Interview Room, Norman Shaw North, Westminster, on Monday, 16 July 2018, commencing at 3.00pm.

2. AGM

a) Election of Officers

The meeting re-elected the officers for a further term:

Chair:	Sir Christopher Chope, MP (Conservative)
Vice-Chairs:	Peter Aldous MP (Conservative)
	Nick Thomas-Symonds MP (Labour)
	Martin Whitfield (Labour)
Honorary Treasurers	Sir Peter Bottomley MP (Conservative)
	Chris Davies MP (Conservative)

b) Income and expenditure statement

The Chairman read the income and expenditure statement which had been previously circulated to members. He confirmed that in the year to 13 September 2018, the APPG on Park Homes:

- received no financial income
- received no benefits in kind from a source which exceeded £1,500
- had no expenditure.

This was approved by the meeting.

Sir Christopher Chope MP thanked Anne Webb for taking the minutes of the APPG's meetings.

3. Heather Wheeler MP, Parliamentary Under Secretary of State at the Ministry of Housing, Communities and Local Government

Sir Christopher Chope MP welcomed the Minister who thanked everyone involved in the APPG, adding that park homes were a very important part of the housing market.

She acknowledged that there were some good site owners but, unfortunately, others who exploited and abused residents and did not respect their rights. She said she received a lot of correspondence from park home residents in her constituency, and from around the country, on a range of issues including bullying, harassment and financial exploitation by some site owners. Such practices were unjustifiable and unacceptable and have a significant impact on residents' finances, their well-being and their health.

She said that the proposals she had announced would make a significant difference to the sector and build on the substantial reforms that were introduced in the Mobile Homes Act 2013.

That Act, which was introduced by Peter Aldous MP, gave residents important rights. It also gave local authorities substantial enforcement powers, tools and resources to ensure sites were properly maintained and managed. A commitment had been given to review the effectiveness of park homes legislation and following that review, the Minister said she was going to outline the Government's plans to respond.

The Minister reported that the two-part review had found that overall the measures – selling homes, pitch fee reviews, and making site rules – had been effective in improving the sector. Local authorities had said that they welcomed their new powers.

However, the review also uncovered a number of areas where action was still needed. For example, some administrative processes could be streamlined; some residents still lacked awareness of their rights and responsibilities; and some local authorities continued to face barriers when carrying out their enforcement duties.

In order to make these improvements, the Minister reported that a working group had been set up to explore how the processes could be streamlined and how information about residents' rights and responsibilities could be disseminated more effectively. Some of those present at this meeting had agreed to join this working group.

There were also plans to work with local authorities to develop additional guidance and best practice on enforcement and to engage with the trade bodies to set up a Primary Authority to provide expert advice on licensing issues.

On the matter of the continuing abuse, financial exploitation and harassment of some residents by park owners, the Minister said that the Government would take firm action to deal with such behaviour. The existing legislation would be strengthened to prevent unreasonable charges being made. A stop would be put on the complex and opaque company structures used to limit a resident's security of tenure and avoid liability for enforcement action against the site owner.

To give local authorities additional powers to tackle rogues, a fit and proper person test for site owners would be introduced.

To ensure that these changes would be carried out effectively, the Government would be working closely with the residents' associations, trade bodies, professional advisors and local authorities in the coming months to implement the proposals.

Turning to the matter of the maximum 10% commission paid by residents on the sale of a mobile home, the Minister said this was complex and had generated a lot of debate and polarised views over the years. It was important that consideration of this issue should be based on evidence and a proper assessment of the impacts on both residents and site owners. Research would be undertaken to gather data on the impacts of a change to the rate of commission and an announcement about the timetable for this research would be made in due course.

In conclusion, she said that the review of the Mobile Homes Act 2013 had shown that the legislation had made significant improvements to the sector. The Government recognised more work needed to be done to change the culture of the sector and crack down on the rogues operating in it. The Government's response to the review was an important piece of work which would improve the lives of park home residents, who are among the most vulnerable members of society. Work would continue with partners, some of whom were present, to raise standards further and remove criminality from the sector.

4. Questions to the Minister and any other business

Park Homes Working Group

Sir Christopher Chope MP asked whether the membership of the working group had been established. William Tando responded, saying that Lease, industry bodies, residents' associations, Age UK and a number of local authorities would participate. The first meeting would be on Thursday, 25 October 2018.

Holiday Parks

Helen Whately MP asked whether the working group's remit would extend to holiday caravans. William Tandoth replied that it would only cover residential parks. Helen Whately MP asked whether there was any action proposed to protect people on holiday parks who were being exploited. She said that a number of people in her constituency (Faversham and mid-Kent) had been sold homes on holiday parks but were told they were for residential use. The Minister responded, saying there was going to be a meeting about this issue, involving MHCLG, BEIS and DCMS. Emma Garrett thought there was a need for better communication and dissemination of information with consumers to avoid such problems.

Sir Peter Bottomley, MP, said his own district council (Arun) had parks which were closed for just two weeks of the year, but which had become permanent sites triggering rent increases. The Minister commented that should the site become residential, a new pitch fee might be imposed which would be out of kilter with what the owners paid when it was a holiday park. Sir Peter Bottomley MP thought that a new pitch fee on an existing contract should not be allowed, but the Minister questioned whether she could legalise something that was illegal before.

Ros Pritchard said that many holiday park owners worked hard to sell homes only for holiday use, but there were some purchasers who deliberately misrepresented their position. They were turned away when this was discovered. This was a completely different matter from mis-selling and the interests of holiday park operators needed to be protected, along with those of consumers.

Peter Aldous MP concurred with Sir Peter Bottomley MP and Helen Whately MP, commenting that there were a number of parks which were run by rogues and which were promoted as residential when they were not.

Sonia McColl pointed out that although there were organisations, including her own, who could offer advice to park home residents, there was nowhere that holiday home owners (who do not have the protection of the Mobile Homes Act) could go for advice, apart from the National Association of Caravan Owners.

Referring to the mis-selling of homes on holiday parks as residential, Richard Hand mentioned the law of estoppel. If a resident was able to access legal advice, estoppel would be the device he would recommend them to use.

Fit and proper

Turning to the subject of the introduction of a 'fit and proper person' test, Peter Aldous MP thought that this could be introduced by a Statutory Instrument.

The Minister responded by saying that it had been her plan to introduce primary legislation, but that a piecemeal approach would also be considered. William Tandoth said that with regard to 'fit and proper', MHCLG would need to first consult with the trade bodies, residents' associations and local authorities to ensure an effective test.

All other matters would need primary legislation and depend on the legislative time table.

Commission

Chris Davies MP referred to the commission on sales, saying it had caused much disquiet. The Minister said that the Welsh decision was subject to Judicial Review. She said that if any reduction in commission translated into higher pitch fees, homeowners could be worse off. Work on the research would not start until spring 2019 and so would follow the Judicial Review of the Welsh Government's decision.

Sonia McColl asked the Minister whether the research would take into account the financial accounting of site owners, particularly those who owned multiple parks. She was assured that it would.

Inflation Index

Sonia McColl said that she believed that something had been put in writing about CPI rather than RPI being used in the calculation of pitch fee increases for park home residents.

The Minister said that at the moment the RPI is used for those calculations, but the legislative intention was to change this to CPI. The Ministry would seek to evaluate the impact of the change. 'We are minded to change', she added.

Emma Garrett said that the RPI to CPI change would be considered along with the commission research so that the impact on park economics could be addressed 'in the round'.

Leasehold

Brian Doick, NAPHR, said that his main concern at that time were more than 200 homeowners where the leasehold 'loophole' was being abused to deprive them of their rights. He called for urgent action, failing which there would be very many homeless people – and more park owning 'crooks' would get in on the act and do likewise.

Ros Pritchard commented that Government had undertaken to address this abuse and asked whether this change would apply retrospectively. William Tandoh said he would look at the proposals.

Enforcement

Richard Hand asked whether there would be any extra money for local authorities in terms of enforcement. Some might have been reluctant to take action against site owners who might themselves have been very well resourced.

The Minister said that fines would enable local authorities to fund enforcement.

Solicitors and Estate Agents

Peter Aldous MP noted that solicitors and estate agents handling park home/holiday home matters needed to be more conversant with the law.

Variable service charges

Brian Doick noted Government's plans with regard to variable service charges. He said this was important in the light of the crooked activities by some park owners that have come to light, for example:

- £15.00 per month for parking an additional car
- £2.50 cheque administration charge
- £25.00 to pay pitch fees other than by direct debit.

He was also concerned where an agreement obliged homeowners to pay the park owner's legal costs.

Brian Doick added that he appreciated that park owners were in business to make money, but it shouldn't be a corrupt business. He noted that where homeowners received Housing Benefit, then any additional pitch fee would be met by this.

Timetable

Sir Christopher Chope MP mentioned a timetable for the proposed reforms. He referred to Peter Aldous MP who produced his Private Member's Bill (which subsequently became the Mobile Homes Act 2013) with Government support. That Bill had come out of a meeting like the one currently in progress. At that time Grant Shapps MP (who was then Housing Minister) had said there was insufficient time for such a Bill, however Government had drafted the Bill so that it could be put forward as a Private Member's Bill. Sir Christopher Chope MP asked the Minister whether she had thought of doing that, in view of the fact that she had spoken about introducing legislation when parliamentary time allowed. He also asked if it was something that the Minister could help to facilitate by getting some drafting expertise on board now.

The Minister said that particular matter had not been discussed, but she was open to suggestions. The Ministry was setting up a working group and undertaking consultation and review. Those needed to be done before the Statutory Instrument on fit and proper person could be published. With regard to the other matters, she said that 'building blocks behind them' were needed.

Sir Christopher Chope MP queried why a consultation on a Statutory Instrument for a fit and proper person test was taking so long. William Tandoh said that a consultation paper had to be approved and the Ministry needed to speak to lawyers. He anticipated that a paper could be produced early in the new year. Sir Christopher Chope MP concluded from that remark that a consultation in regard to a Statutory Instrument for fit and proper person would be published in January. William Tandoh said it would be early in the new year, provided MHCLG was given authority to proceed.

Emma Garrett added that it would be a technical consultation. She could not give a timescale. She said that MHCLG could put in a bid for time for secondary legislation, but they were unable to say, with any certainty, when a Statutory Instrument could be put through.

Sir Christopher Chope MP asked when it was going to be ready to publish, and Emma Garrett replied that the team had started work.

The Minister said that with Brexit there are about 700 Statutory Instruments in the pipeline. Sir Christopher Chope MP added that the Department was also producing a significant Housing Bill.

The Minister said that there was currently a green paper on that but that a Housing Act would be 'a bit further down the line'.

Referring to the working group on park homes, the Minister said that it was going to look at residents' rights and how information could be disseminated to them more widely and effectively. She said that was desperately needed and did not require legislation.

Sir Christopher Chope MP asked when the Ministry might be able to address the problem of people setting up companies in other names to confuse enforcement agencies. The Minister said that issues of transparency of ownership and variable service charges would require primary legislation. Work on that had already been done. It was a case of when there was legislative time. She said that some of these issues had developed because of residents being unaware of their rights and having signed up to agreements without checking them. There was a need to find ways to help residents to understand their rights and not fall victims to the rogues. That work would be starting shortly.

5. Date and time of next meeting

To be confirmed.