

ALL-PARTY PARLIAMENTARY GROUP ON PARK HOMES

The minutes of the All-Party Parliamentary Group on Park Homes which took place on Monday, 7 February 2022, via Zoom, commencing at 3.30pm.

PRESENT: Sir Christopher Chope OBE MP (Chair)
Lord Best OBE DL
Steve Brine MP
Lord Carter of Coles
Eddie Hughes MP
Anthony Mangnall MP

Brian Doick MBE, NAPHR
Grace Duffy, DLUHC
Alicia Dunne, NCC
Anthony Essien, LEASE
Adam Gibbor
Sonia McColl OBE, PHOJC
Becky Perks
Ros Pritchard OBE, BH&HPA
Ian Pye, IPHAS
Alexander Pymm
Nat Slade, Arun District Council
William Tandoh, DLUHC
Louise Warr
Anne Webb, volunteer

APOLOGIES:

Sir Christopher Chope MP opened the Group meeting and introduced Eddie Hughes MP, Parliamentary Under Secretary of State for Rough Sleeping and Housing at the Department for Levelling Up, Housing and Communities.

1. Approval of Minutes

The meeting **APPROVED** the minutes of the previous meeting of the All-Party Parliamentary Group on Park Homes which took place via Zoom on Monday, 17 May, commencing at 10.00am. There were no matters arising.

2. Address by Eddie Hughes MP, Parliamentary Under Secretary of State for Rough Sleeping and Housing at the Department for Levelling Up, Housing and Communities

The Minister addressed the meeting, commenting that there were about 100,000 park home residents in the country, with a high proportion being from the elderly or less well-off sectors of society. He had been Assistant Government Whip at the time when the ‘fit and proper person test’ was introduced and he was keen to find out how it was progressing.

With regard to pitch fee review, he commented that there was some work to be done. Once the report was published (and he indicated that he would be pushing for this to be done as soon as possible) he hoped that would ensure the views of both sides were represented.

With regard to the proposed change to use CPI rather than RPI when pitch fee reviews were calculated, the Minister said that the Government had committed to make the change as soon as Parliamentary time allowed.

Remarking on the finite nature of Parliamentary time and the great demands on it, he added that at that time he could say no more about the matters of concern to the park homes sector.

Sir Christopher Chope MP said that when he introduced a Private Member's Bill on the change from RPI to CPI, he was told that officials were unhappy with one of the clauses and that clause had been left out of the current Bill. Sir Christopher Chope MP asked what the problem with his Bill had been.

The Minister responded by saying that the Bill hadn't yet had its second reading. He asked whether it would apply just to new agreements going forward.

Sir Christopher Chope MP explained that it would alter the rate of inflation for calculating pitch fee reviews from the CPI to RPI. It would apply to all existing and future residents.

The Minister thought that, as drafted, the Bill seemed to apply to new Agreements only, but Sir Christopher Chope MP assured him that it did not and that it would be retrospective. It would apply to all Agreements, whether new or existing, from the date of enactment. He could not understand why there was a need to consult other departments, and why the Bill was being blocked. The Minister replied that he had been told that it required further Parliamentary drafting time. Sir Christopher Chope MP wondered why that had not been explained to him before and opined that this change would be very helpful to the 100,000 park home residents with the cost of living increases they would be facing in future.

The Minister responded by saying that he was personally keen to take the Bill forward and would try to find a way. He was hopeful it could be done within six weeks. Sir Christopher Chope MP indicated that he would be presenting his Bill again at the end of February 2022.

Sonia McColl (PHOJC) thanked the Minister for his commitment to take the Bill forward. She had been campaigning for this change for the past eight years and the Government had promised it would adopt it four years ago. Wales had already made that change, she said, so it would be a matter of England being brought into line. She added that residents' pitch fees had been increased by the RPI for many years past, but their pensions were linked to increases in the CPI.

The Minister commented that if the change were to be made, the people who ran the parks would be getting less income.

Mrs McColl responded by claiming that most site owners were greedy and making money hand over fist and many were millionaires. Conversely, the vast majority of residents were on pensions (which increased by CPI). The Minister said he was aware of the frustration and was keen to help and would do all he could.

Ros Pritchard (BH&HPA) responded to Mrs McColl by saying that it was not greed on the part of the park owners. They were running businesses and had considerable expenses to meet.

Ian Pye (IPHAS) supported Mrs McColl's statements about the need for the change. His team of advisors had been hearing on a daily basis that, despite residents paying the site owner considerable amounts in pitch fees, on many parks there was little evidence of maintenance being carried out and the park owner and his/her staff were rarely seen on the parks.

The Minister asked Mr Pye whether he had ever used the services of LEASE to seek advice on a problem, and Mr Pye said he had and confirmed that LEASE had been very helpful. He added that IPHAS would often contact LEASE to ensure that they were giving appropriate advice to IPHAS members in certain situations, and had always received such help promptly and efficiently.

3. **Address by Nat Slade of Arun District Council on the Work of the Site Licensing Forum, including Fit and Proper Person licensing**

Nat Slade said he was concerned that the Fit and Proper Person regime would not deal with the most egregious behaviours and abuses in the industry. The five sites for which Arun had refused applications for fit and proper person licences were the same five sites that had caused issues for residents for some time. He said that nearly 20 years ago the previous owner of these five sites had fragmented home ownership into three tiers: freehold, head lease and sub lease and new pitch agreements were issued at the same time. These had the effect of: limiting residents' previously unlimited security of tenure (some pitch agreements were due to expire in 2026; introducing unfair terms requiring residents to pay for the full cost of site maintenance, in addition to the pitch fee which was supposed to cover this expenditure; and requiring residents to pay for the site owner's legal costs in defending Tribunal cases.

Mr Slade said that under the previous site owner, a residents' association had taken a case to the First Tier Tribunal to challenge some sewerage charges. Residents had lost the case and the site owner appealed the decision because the judge had not required the residents to pay the site owner's full legal costs. The Upper Tier Tribunal found in favour of the site owner who pursued the Chair of the residents' association for the costs which amounted to thousands of pounds. That resident had to sell his home to the site owner to cover his debt and had to move off the site. The site owner shared this decision with the residents on all of his five sites and the residents' association disbanded as no-one wanted to take on the role of Chair. Residents now felt unable to access justice, leaving them vulnerable to exploitation.

Mr Slade continued by saying that when these five sites were sold, the sales materials laid bare the fact that the residents had been deprived of security of tenure and that this was a way of extracting additional sums from them. The new owners had sought to obtain £40,000 from residents of each park home to buy back their security of tenure. Mr Slade concluded that the Fit and Proper Person Regime would not address these residents' issues.

These concerns had been reported to the three local constituency MPs who raised them with Housing Minister, Gavin Barwell MP in 2017. What followed was the Part 1 Call for Evidence and the Government's Response in October 2018 recognising the problems and committing to the solutions to introduce primary legislation (when Parliamentary time allowed) to stop complex ownership structures and exploitative service charges. Mr Slade pointed out that that commitment had been given three and a half years previously and had not yet passed onto the statute books. The matter was

now urgent with the 2026 ending of many residents' pitch agreements getting closer.

Sir Christopher Chope MP confirmed that the Government had agreed to introduce a consultation as to how to deal with unscrupulous site owners who were running rings around all officialdom. The Government recognised what was happening and said it would do something about it. Sir Christopher Chope MP wondered what had happened in those intervening four years.

The Minister responded by saying that the Government would be considering legislation for the forthcoming session of Parliament and that he would write to Sir Christopher Chope MP about this matter.

Mr Pye said that many residents had put great store in the Fit and Proper Person legislation and had been very upset to learn that they were paying for it. In trying to improve the situation for residents, this had undermined the trust that people have in the system. When residents asked local authorities about the fit and proper person tests, they were often met with lots of excuses such as Covid, lack of resources etc. Mrs Pritchard commented that when the Fit and Proper Person Test was introduced in Wales and Scotland, it was found that every park owner was 'fit and proper' including the one mentioned by Mr Slade. Some local authorities appeared to be doing nothing but charging high fees. Local authorities needed to look into their systems and obligations, but in the meantime the park-owning rogues were continuing to flourish.

Mr Slade explained how the Fit and Proper Person Regime in Arun was handled. He said that a group of local authority officers met regularly to discuss problem parks where applications had been received for them to be added to the Fit and Proper Person Register. He said that, to date, there had been five refusals and there were likely to be more.

Mrs McColl explained that residents thought this regime would stop bullying and other intimidatory acts by site owners but it had transpired that many of the rogues were putting different names on their applications, such as spouses, managers, etc. She asked whether the Secretary of State had consulted residents with regard to the Fit and Proper Person Regime because they were the ones most affected, and were any other organisations and businesses consulted?

At this point the Minister announced that he needed to leave because he had another meeting to attend. He said he looked forward to attending another APPG meeting in future and would be writing to the members present about the points that had been raised.

Continuing the discussions on the Fit and Proper Person Regime, Mr Slade outlined the work of the Local Authority Caravan Site Licensing Officers' Forum which had been established, on his initiative, by Arun in 2017. It comprised 360 individual local authority members from 182 local authorities. Officers at Arun had provided most of the administrative support for the Forum. Mr Slade had recognised that in most local authorities the licensing function was carried out as a fraction of one officer's role and there was, therefore, limited expertise within the authority. The purpose of setting up the Forum was to provide an opportunity to share expertise and best practice. He said that there had been 'in person' and Zoom meetings and discussions with the Ministry.

Mrs McColl asked whether there were residents' representatives in the Forum. Mr Slade said that there were none at present, adding that the Forum had been set up solely for local authority members.

In response, Mrs McColl said she understood that there had been no input from residents, but she wondered whether there had been anything from the industry. In reply, Mr Slade said that his organisation had spoken with residents, industry bodies and site licensing authorities.

William Tandoh (DLUHC) sought to clarify the position regarding the consultation for the Fit and Proper Person Test. He said that the DLUHC had consulted in 2017-8 and in 2019 on the specifics of the Fit and Proper Person Test, and a Government response was published on how the Test would be implemented. So, if any residents had issues about a particular site, they should raise them with the appropriate local authority.

4. Home owners' issues being raised with LEASE – Anthony Essien

Anthony Essien from the advisory service, LEASE, put up a slide which listed the ten most frequent topics raised with his organisation. They were:-

1. Pitch fee rules
2. Selling a home procedure
3. Implied terms and breach by site owner
4. Express terms of Agreement – Written Statement
5. Site licensing procedure
6. Buying a park home from a park owner
7. Site rules procedure
8. Buying a park home – 2nd hand sale
9. Inheritance – Wills and probate
10. Applying to a Tribunal

Mr Essien commented that site owners tended to discourage potential buyers from using the services of a solicitor but he stressed the importance of getting legal help. He warned, though, that not all solicitors were familiar with park home law, but LEASE could advise on this.

Implied term queries usually related to repairs and utility charges. Inquirers reported that site owners were often reluctant to show how these charges were calculated.

With regard to the express terms in an agreement, it was often found that many residents did not have a copy of the Written Agreement and some site owners refused to provide one which caused the residents to be vulnerable.

Site licensing issues revolved around local authorities not enforcing site licence conditions.

When buying a home from a park owner, prospective residents were often encouraged to waive their rights to the Written Agreement. In this scenario, a purchaser would move into the park home and then discover that the verbal information they had received did not tally with reality.

Site rules procedure – park owners should enforce them fairly and consistently. Residents should be told where they could view the rules.

When buying a second-hand home, commission was often an issue. Mr Essien commented that it would be interesting to see the outcome of the Government's deliberations on this matter.

With regard to inheritance, there was an assumption by residents of a right to occupy by the person inheriting the home. That was not necessarily the case. Those inheriting had often experienced hostility from the park owner and felt they had to sell the home to the park on the park's terms. Beneficiaries were often called upon to fund repairs to the home before they were allowed to sell it.

Questions regarding the procedure for applying to a Tribunal usually asked about the cost, with emphasis on recovery of those costs. Questions were also asked about attending a Tribunal session.

Mr Essien then listed the most common issues raised in 2021/22:-

1. Questions around Implied Terms and buying a park home were the most common.
2. Breach of an Implied Term by a site owner was the second most popular question.
3. Buying a park home and issues around second-hand sales were an increasing issue over the past year.
4. Site licensing with regard to the Fit and Proper Person Test were beginning to be raised.

Mr Pye (IPHAS) commented that not a month went by when he hadn't dealt with all of the issues in Mr Essien's 'top ten'.

Mrs McColl (PHOJC) said that, through its helpline, her organisation received a tremendous number of queries and complaints regarding one particular site owner. Anthony Essien commented that park homes were now an expensive asset – some costing as much as £400,000. It was vital that buyers should obtain proper legal advice when embarking on such expenditure.

Sir Christopher Chope MP asked if there was anything that the APPG could do to promote the need for prospective residents to obtain legal advice before committing to the purchase.

Mr Essien said that national residents' associations encouraged inquirers to get legal advice from solicitors who were familiar with park home law, as did his own organisation (LEASE) but it could not be made mandatory.

Sir Christopher Chope thanked Mr Essien for the work that he and his organisation were carrying out to help to protect residents.

Mr Pye (IPHAS) commented that when giving advice it was difficult to strike a balance between being totally honest and putting people off the idea of park home living.

Mrs McColl (PHOJC) commented that there were many park home residents who would be anxiously awaiting the outcome of this meeting and what was being done to resolve their many problems. Unless the Government did something significant, it would just carry on. She was very aware that residents would be waiting to hear what the Minister had said at the meeting.

Mr Tandoh (DLUHC) said he understood what Mrs McColl was saying and agreed that there was a lot that needed to be done. He said that if any of those present had suggestions or ideas about the Government doing something significant to help park home residents, the Minister would be glad to hear from them. Residents' associations should be advising their members to always seek advice on all aspects of park home living - understanding their rights and knowing how to enforce them. All purchasers should be encouraged to obtain legal advice and even if this were made mandatory, there would still be people not doing it.

Finally he mentioned terminology and that the term ‘lease’ is often used in place of the ‘Written Agreement’ and mentioned that it had even been included in the minutes of the previous APPG meeting (17 May 2021).

Referring to a previous discussion about legal advice, Mr Pye (IPHAS) said that there were some very good Government fact sheets on buying, selling and gifting park homes. He suggested that these might be expanded to include the need to take professional advice, and especially to ensure that the legal expert chosen had a sound knowledge of park home legislation. He also suggested that these fact sheets should include a check list for would-be purchasers so that they could satisfy themselves on all the relevant points before committing to a purchase.

Sir Christopher Chope thanked Mr Pye for this suggestion.

Mrs McColl (PHOJC) raised the issue of electricity price increases and the rebates promised by the Government to alleviate hardship. In the case of park home owners and tenants, she said that many did not receive electricity bills direct from their supplier but from the site owner who paid the bill for the whole park and then apportioned it to residents from the meter readings that were taken. Mrs McColl asked whether there was any way that individual residents could benefit from the Government rebates.

Mr Pye (IPHAS) commented that many park owners had a business account with their suppliers and would not benefit from price capping so would be unable to pass it on to residents. He foresaw that this electricity issue and the rise in the cost of living generally would have a devastating effect on residents in future. He said that IPHAS had tried to find out what was going to happen concerning electricity rebates and had engaged the services of an electrical engineer who had looked at the park home situation to see how the residents could be protected.

Mr Tandoh (DLUHC) said that his Department was working on this issue.

Mrs McColl (PHOJC) said she would let the Department know how the repaying of electricity rebates would most probably affect park home residents. She added that with regard to council tax rebates, many park home residents did not pay council tax, but they did get cold weather payments.

Mr Tandoh (DLUHC) expressed surprise that park home residents did not pay council tax and asked Mrs McColl to send him details.

Sir Christopher Chope MP thanked everyone for their attendance. He commented that Andrew Griffiths was now on the APPG radar – he had been appointed No. 10’s policy advisor. There would be someone who would understand this issue and give it more attention than it has now. He added that it was clear that the Minister had not been properly briefed on the gravity or the true nature of the problems. Sir Christopher Chope MP added that he would be putting forward his Private Members’ Bill about the change from RPI to CPI for pitch fee increases on 21 February 2022.

The meeting closed at 4.45 p.m.