

ALL-PARTY PARLIAMENTARY GROUP ON PARK HOMES

The minutes of the AGM of the All-Party Parliamentary Group on Park Homes which took place at 3.30pm on Monday, 17 April 2023 in Room O, Portcullis House, Bridge Street, London SW1A 2LW

PRESENT: Sir Christopher Chope MP (convenor and Chairman)

Peter Aldous MP

Sir Peter Bottomley MP

Mark Menzies MP

Brian Doick, National Association of Park Home Residents (NAPHR)

Alicia Dunne, National Caravan Council (NCC)

Anthony Essien, LEASE Park Homes

Katherine Haynes, British Holiday & Home Parks Association (BH&HPA)

Sonia McColl, Park Home Owners Justice Campaign (PHOJC)

Ian Pye, Independent Park Home Advisory Service (IPHAS)

Nat Slade, Arun District Council

William Tandoh, Department for Levelling-up, Housing and Communities (DLUHC)

Anne Webb, volunteer

APOLOGIES

Lord Best

Lord Carter of Coles

Grace Duffy, Department for Levelling Up, Housing and Communities

Rt Hon Sir Gavin Williamson CBE, MP

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 on Monday, 31 October 2022 in Committee Room 13, House of Commons, London SW1A 0AA

2. Annual General Meeting

- a) Statement of Purpose. *'Bring together parliamentarians, park home owners and industry representatives to discuss issues of common interest, including legislation and its enforcement to eliminate abuse and disadvantage.'*
- b) Election of Officers.

Sir Christopher explained that, as this was the Group's annual general meeting, it was time to elect and/or confer in place its officers. Sir Peter Bottomley proposed that Sir Christopher Chope should continue as Chair, and this was agreed unanimously. Sir Peter Bottomley also proposed the following as Vice Chairs: Peter Aldous MP, Lord Best, Lord Carter of Coles, Alex Sobel MP, Caroline Nokes MP, and Mark Menzies MP. These appointments were agreed unanimously.

c) The Public Enquiry Point will be Katherine Haynes (BH&HPA), email: appg@bhpha.org.uk

d) Income and expenditure statement.

Income: The APPG on Park Homes received no financial income in the year to 9 February 2023.

Expenditure: The APPG on Park Homes had no expenditure during the year.

3. Mobile Homes (Pitch Fees) Bill

The Chairman asked when this Bill was likely to receive Royal Assent.

William Tandoh (DLUHC) said that he hoped it would be in May 2023. He agreed to keep the Chairman up to date on progress. He added that time was of the essence because no progress could be made with its implementation until two months after Royal Assent.

4. Energy issues

Support for residential park home owners.

The Chairman asked why it had taken so long for residents to get the £200 alternative fuel allowance which was being paid by local authorities.

Sonia McColl (PHOJC) said that one of the problems had been that some residents did not have receipts for payments they made to their site owners. Bank statement evidence was not admissible. Mr Tandoh said that he was passing on these complaints to the appropriate authorities in the hope that the rules for park home residents could be relaxed. He was hopeful that payments would be going through very shortly.

The Chairman said that receipts were not required for the £400 payment and Mrs McColl added that some people were only just receiving those £400 payments and others were not sure what else they had to do in order to receive them.

Mr Tandoh said that it was understandable that these issues would crop up in cases where receipts could not be provided. He added that he was going to try to make it easier, but some residents were not even aware of the entitlement to payments, despite local authorities having been asked to spread the message as widely as possible. Residents had until 31 May to apply.

Ian Pye (IPHAS) asked whether it could be assumed that if an application was made before the deadline, it would remain live and be dealt with after that deadline had passed. He stressed the need for more information to come back to all the national residents' associations for them to pass on to their members, and ultimately to ensure that residents received what was due to them.

Mrs McColl asked what she should tell an 82-year-old lady who didn't have receipts for her payments? Mr Tandoh said that he would reply to Mrs McColl about that at a later date.

Mrs McColl then turned to the subject of electricity. Some of her members were asking why park home residents had to pay commercial rates for their electricity. Her understanding was that it was the tariff park owners used, and most of them were on commercial rates. It transpired that some residents were better off on these rates than on domestic ones.

Brian Doick (NAPHR) commented that residents on the commercial rate would need to pay VAT.

Mr Pye said that following his meeting with OFGEM last November, OFGEM had produced a call for evidence within the following three months. Currently, IPHAS was awaiting the second tranche of evidence from OFGEM. Mr Pye added that Age UK had been very supportive of IPHAS and had pointed out to OFGEM that some 900,000 residents were affected by the difference between commercial and domestic rates. Mr Pye explained that OFGEM licensing and the current agreement did not extend or allow them to extend their protections to park home consumers and the others at this stage. At some time in the future, it would require a change in legislation.

Mr Pye also highlighted the problem with obtaining compensation for power outages. He said he was expecting another report at the end of May or early June and that was expected to be a general set of recommendations from a review by PWC (Price Waterhouse Coopers). Mr Pye added that PWC had put down on paper some very good points concerning these issues, and it would probably result in changes to legislation.

Sir Peter Bottomley said that these problems also applied to others, including residential lease holders, and that any home occupier was at risk if their electricity was paid for by others. The Government should state who is at risk and how they could be protected and helped.

5. Update on Park Home Sites in West Sussex

Following on from the report he gave to the APPG AGM in 2022, Nat Slade, from Arun District Council said that his update related to six park home sites in West Sussex, five of which were within the Arun District and were home to over 200 households.

Background

Over the previous couple of decades ownership of these sites had been fragmented into three tiers with several leases of varying durations held in the name of 10 limited companies. The purpose of the fragmentation had been to deprive residents of security of tenure in perpetuity.

Pitch agreements issued on these sites contained terms which:-

- 1) Limited the duration residents could station their park homes on the site. Scores of these leases were due to expire in as little as four years. The current site owners had asked residents for £40,000 per park home to effectively buy back the security of tenure they had lost as a consequence of the ownership fragmentation and pitch agreement clauses.
- 2) Charged residents double for the costs of maintaining and managing the sites via a variable service charge, in addition to the pitch fee which was supposed to provide this.
- 3) Deterred effective legal challenges from residents by making residents liable for costs the site owner incurred in defending any challenges residents took to a Tribunal.

Government legislation

In 2017 the Government undertook a two-part call for evidence. In 2018 the Government, in its response, recognised the issues facing residents on these sites and committed to legislate, when Parliamentary time allowed, to:-

- A) Simplify complex and opaque company structures used by some 'rogue' owners to limit residents' security of tenure.
- B) Amend the pitch fee definition to prevent the use of variable service charges in pitch agreements.

Five years had now elapsed and the DLUHC had not submitted a bid for a Bill to deliver these commitments to be included in the legislative programme.

Trading Standards' Complaint Investigation

A complaint was made over two years ago (in January 2021) to West Sussex Trading Standards asking that concerns that pitch agreements were unfair and in breach of consumer protection laws should be investigated. This complaint was escalated to National Trading Standards (NTS) whose National Intelligence Team undertook a problem profile on the site owners. The Serious Organised Crime Protocol was followed to identify an enforcement organisation to lead an investigation. NTS requested funding from DLUHC to resource such an investigation but that was not forthcoming.

Mr Slade continued by saying that West Sussex Trading Standards had, that day (17 April 2023) relayed a message from National Trading Standards, as follows:-

‘National Tasking Group concluded that without available funding being allocated on NTS, it was not possible at this stage to take on a Trading Standards-based investigation. NTS had previously approached DLUHC for support which had not been forthcoming and it was clear that, as a commissioning body which relied on a limited Government grant, NTS could not take any further action.’

Mr Slade commented that it had taken over two years to conclude that the complaint was not being investigated because of lack of resources to do so.

Fit & Proper Person (F&PP) Regime

In 2021 applications were submitted to Arun to have people entered onto its list of F&PPs. These were refused. The site owners appealed to the First Tier Tribunal. The FTT dismissed the appeals. The site owners applied to appeal the FTT decisions to the Upper Tier Tribunals (UTT) but their application was dismissed.

In 2022 a second series of F&PP applications were submitted. These had not yet been determined. If they were to be refused, no offence would be deemed to have been committed by the site owners provided they submitted a new series of applications after each refusal decision by the Council of FTT appeal dismissal decision.

Mr Slade commented that there was potential for this to be an endless cycle, adding that the *Fit & Proper Person Regime* was not the solution to the issues faced by residents on these sites.

Illegal additional park homes

On one of the sites in question, the owners introduced additional park homes, including siting some on visitor parking spaces. A compliance notice was served requiring the removal of the additional park homes. An application to vary the condition limiting the number of park homes on the site was then submitted by the site owner. This was refused by Arun. The site owner appealed to the FTT which dismissed the appeal. The FTT’s decision was then appealed by the site owner to the UTT. Mr Slade concluded that people were being sold park homes with pitch agreements to station them where they had no legal right to be. The Council had powers to enforce compliance and these were being pursued, but the consequences for residents could be financially and emotionally devastating.

The Asks

Mr Slade said that his District Council (Arun) would like the APPG to do all it could to enable the officials in DLUHC to:

- 1) Bring forward legislation to deliver on the Government's 2018 commitments, and:-
- 2) Provide funding to National Trading Standards to investigate apparent unfair terms before pitch agreements expired in four years' time.

In response to Mr Slade's outline of the current problems and his request for action from the APPG, Sir Peter Bottomley suggested that the Competition and Markets Authority (CMA) be asked to investigate the complaint. Mr Slade replied that prior to the submission to Trading Standards, the complaint had been submitted (in May 2020) to the CMA about concerns that the terms of the pitch agreements were unfair and in breach of Consumer Protection regulations. The CMA responded, stating that it was outside their remit and suggested a referral to National Trading Standards via the relevant local trading standards authority.

Sir Peter Bottomley also suggested that the Chair of the APPG should write to the Secretaries of State for DLUHC and BEIS (Department for Business, Energy and Industrial Strategy) on the matters of delivering legislation and providing funding for an investigation. The Chairman agreed, on the basis that Mr Slade would provide some information to facilitate this.

The Chairman asked how much funding was needed and Mr Tandoh commented that National Trading Standards did not request anything from his Department. He added that they started having discussions but didn't have a specific figure, but he estimated that a couple of million pounds would be needed to bring a prosecution.

Sir Peter Bottomley asked Mr Slade to put these matters in writing to all APPG members. He added that the CMA could consider these matters and asked the Chairman to write to them to see whether the two organisations could work together. The Chairman responded, saying that he would use the letter from Mr Slade as the basis.

Mrs McColl said that she had received a lot of messages stating that Arun was doing very well as a council in protecting park home residents.

Mr Doick said that he had been involved for many years past with the West Sussex parks in question and their lease problems. He said that residents had been, and still were, being ripped off. As an example, he said that, when a park changed hands, the residents were told that they had to buy a lease from the new owner at a cost of £40,000 for each home. If they could not afford it, the new owner had agreed to them paying a proportion with the remainder added to their monthly pitch fees. When the lease expired, the resident would receive a letter stating that the home must be moved off the park.

Peter Aldous, MP, commented that he had also been involved with these cases.

6. **Fit and Proper person**

Issues when a park changes ownership

Mr Aldous said he had seen correspondence from residents on various parks where the park owner had sold the park without any notification to the residents. The new owner had come in, had not applied for a fit and proper person licence and the utility suppliers that had a contract to supply that park had taken the view that their contract had been with the previous owner and nothing had been done about continuing the supply of services for residents. One business owner had appointed a property management company to look after the park. That company had no experience of park homes. The contractor who had previously supplied the electricity to the site said he would not supply in future unless the new owner could put forward business accounts to justify his ability to manage the site.

Mr Aldous commented that there was one site he knew where ownership had changed once a year every year, and he wondered about the motive behind this. His discussions with colleagues seemed to indicate that the practice was widespread, and he said that they would like to see a procedure required for the buying and selling of parks for the protection of residents. Park owners should be required to provide evidence that they had completed a course in park management (such courses were readily available from the NCC, and the BH&HPA explained how there was a robust vetting procedure in place to ensure BH&HPA members met membership standards). He said that ideally occupiers should be given a minimum of 28 days' notice of a new owner taking over plus details of that owner's name and address, and be assured that the owner had made application for the licence and had made contractual arrangements for the supply of services to be in place. One key thing that had come to light was complaints about maintenance. Often, when a park changed hands, the previous owner was found not to have invested in the park. He should have used some of the rental money he received from residents to maintain the park but instead he passed the problem to the new owner. Mr Aldous thought that a prospective buyer of a park should be given a statement of the work needed to bring the park up to standard, if it had fallen short, and this should be a condition of the sale. Without such guarantees, he added, many residents would be left high and dry through no fault of their own. He and his colleagues would like to see an investigation that could bring this to light. There was little information about the number of parks that change hands each year – no records, written statements or payments, which was good news for the new owner who could then issue a new written statement

Mr Slade commented that there should be a site licence in place and the licensing authority should be able to say whether there had been a breach.

Mr Tandoh said that understanding the legislation currently in place was vital, especially the rights of residents. Some of the problems mentioned came under 'fit and proper person licensing'. Local authorities could ask if the licence had been transferred and they could issue a licence, subject to certain undertakings. His Department was in discussion with the licensing officers, commenting that it was vital to use the legislation that was in place and for residents to understand what was in their written statements.

Mr Pye said that too many people were coming into the parks industry without any prior knowledge of owning and operating a park, and quite often they managed it remotely.

Mr Tandoh said that there was a need to look at the whole picture – site licensing and the fit and proper person regime. He agreed to discuss these matters with the BH&HPA and the NCC. Alicia Dunne from the NCC said that her organisation had very strict criteria and were usually only approached by those prospective park owners who knew they could reach the requirements for park ownership. She added that the NCC would do all it could to help residents. Mrs McColl thought it would be a good idea to make membership of trade associations compulsory, and there was a need to hit park owners in their pockets. When licences stated the number of homes on a park, how could park owners ignore that and start putting in bases for extra homes?

Nat Slade said that the site licence imposed a condition limiting the number of homes on site, but the group of companies he referred to had ignored this.

Anthony Essien asked how the extra plots were being marketed.

William Tandoh said that this was a very serious issue and anyone buying a home had got to do some due diligence and find out whether that site was legal or illegal. Mention was made of site owners ripping up residents' gardens and putting homes in their place. Those issues needed to go to a Tribunal.

Mr Pye said that in cases where residents informed their site owners that they were taking complaints against them to a Tribunal, some site owners responded by saying that if the residents lost they would have to pay the park owner's costs.

Mr Tandoh repeated that all prospective residents had to observe due diligence. There was a need to get people to understand the legislation and the key thing was to ensure enforcement, adding that was what LEASE had been created to do.

Mr Doick said that one of the biggest problems was the residents themselves. When the 2013 Act was first published, NAPHR got permission from the Government to print copies and post them to all its 9,500 members.

Nevertheless, many were still asking NAPHR questions, even though the answer was in the 2013 Act booklet that had been sent to them. He felt that

residents didn't read, understand or use the legislation that was in place to assist them.

Mr Pye commented that local authorities must have a list (from council tax payments) of the residential park home estates in their area. That would give the information needed to direct information to them.

Mr Doick added that it was agreed, in the Park Homes Working Group, that there would be park home information supplied to every town hall and for it to be made available for potential and existing park home residents.

Mr Aldous said that the legislation was in place. Problems had arisen because 10 years ago no attempt had been made to create awareness among park home residents. Also, some councils were better than others at clamping down on unacceptable behaviour. The legislation was there, he said, but the problem was (1) 10 years ago no attempt had been made to create awareness among park home residents, and (2) some councils were better than others at clamping down on unacceptable behaviour, mentioning West Sussex and Suffolk in particular. However, he concluded that there were some park owners who would ride a coach and horses through the legislation anyway.

7. Any other business

Mrs McColl referred to the 10% commission charge and reported that many residents were sending letters to the PM and their constituency MPs about this. The argument from the park owners was that they needed this amount to cope with inflation. Residents, too, were suffering with the inflation increases, she pointed out.

Mr Doick said that he did not foresee a change in the 10% commission fee without a change in legislation.

Mr Tandoh said that his Department would look at the report in considerable detail and predicted that there would be more consultation within the sector.

Mr Pye endorsed Mrs McColl's views about whether the 10% commission fee should be adjusted. As an example, he said that if five homes on a park were to change hands in any one year, the amount due to the park owner (10% of the sale price) would be very considerable.

Mr Pye referred to the energy situation with park owners being the customer of the supplier and then distributing the energy to their residents. He asked why the master meter, which was registered in the park owner's name, could not be registered in multiple names to signify which residents were receiving power from this source. The DNOs (Distribution Network Officers) wouldn't know who the park home residents were, so IPHAS had suggested to OFGEM that its remit would allow them to put multiple records in the master meters.

8. Date of venue of next meeting

To be decided and the participants informed.

In the absence of Sir Christopher Chope who had to leave the meeting a little earlier, Peter Aldous MP declared it closed at 16.30.