RESPONSE OF DECEMBER 2012 TO NATIONAL ASSEMBLY FOR WALES CONSULTATION ON THE REGULATED MOBILE HOME SITES (WALES) BILL
(Communities, Equality and Local Government Committee)

RESPONSE FROM:
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I would like to provide members of the CELG Committee, with the following observations, which I hope they will find helpful when considering the Bill.

Introduction

We have been owners and operators of our residential park since 1964 – when we set it up. The third generation of our family is now involved in the business, and we would like to see it continue to operate as a family owned park for generations to come. We only operate the one park and live adjacent to it. We have a full residential licence for up to 56 homes. We currently have 44 homes upon the park – all of which are owned by their occupants – who pay us a weekly ground rent/pitch fee. Our residents are a mixture of ages, and include families, working people, and retired couples. The occupant who has been on the park the longest first moved to us over 40 years ago. Many of our residents tend to remain on the park for 10 years plus.

The Unique Nature of Parks

We are concerned by the catagorisation by lumping together of residential parks with houses in multiple occupation (HMOs,) and the proposed 'cut and pasting' of HMO criteria and legislation. Both the residential park concept and the park owner/park resident relationship is unique, and different from the traditional landlord/tenant relationship which exists in the rental property market, or for HMOs. If new legislation and a new regime is deemed necessary, it should be tailor made, in recognition of this.

Sale Blocking & the Pre-Sale Process

In our 47 years' experience, we have seldom raised objections to a proposed 'sited sale' (ie. where the seller wishes to sell the home to a person who wishes to take up residence in it, and enter into a Park Agreement with us.) However, is important to note that homes which are to be sold 'sited' need to be of an acceptable age, condition and value - to ensure that park standards are maintained. We would seek to object to a 'sited sale' in instances where we were aware that the potential purchaser had a history of debt or anti-social/bad neighbour behaviour – and were thus more likely to breach the terms of the Park Agreement and become problem clients for us, or problem neighbours for our existing residents.

Legislation should not prevent sale blocking. Used responsibly it is a tool which enables us to operate a well run park and to maintain the standards, which attract residents to live with us in the first place.
We are very concerned about the proposals to remove the park owner's right to veto a prospective purchaser (or any suggestion that the onus should be upon him to apply to a Residential Property Tribunal regarding this point.) If we can give an example, at present, if somebody expressed interest in purchasing a home on the park, and we were aware that they had been evicted from a council-

owned property for anti-social behaviour, we would say that they were unsuitable as a prospective resident. However, were the new proposals adopted we would be robbed of the right to veto them, and would probably baulk at the prospect of applying to a RPT in case we lost, and incurred significant costs - and maybe also faced being sued by the seller for damages arising from a loss of sale. The net result would be that neighbouring residents would be stuck with a new neighbour who was likely to interfere with their quiet enjoyment, and we would be stuck with a new resident that we'd known from the outset wouldn't fit it... but were then expected to try and 'police' using the terms of the Park Agreement. There is no doubt that we and the neighbours would also have to seek assistance from the Local Authority Environmental Health team. It is a daunting prospect for a park owner to be faced with the suggestion that they should play no part in the pre-sale process, be compelled to enter into a Park Agreement with a party with whom they do not wish to deal, and subsequently bound to deal with them as residents on a daily basis. Such 'arranged marriages' will inevitably cause difficulties further down the line. Were landlords of HMOs compelled to accept every tenant who applied for a tenancy in their property, we anticipate that the number of HMO properties available to rent would very quickly diminish.

It is an acknowledged fact that many people choose to move onto residential parks because they have additional safeguards to their quiet enjoyment to those which they would have if they lived on a standard housing estate. They know that the park owner does vet their prospective neighbours... and that he is unlikely to accept a resident who will probably present a problem to either the park owner or existing residents. Further, in instances of anti-social behaviour etc., the park owner can intervene at a far earlier stage than the LA Environmental Health teams. The current legislation and Park Agreement outlines the recourse available to a home owner, in the event that he feels approval has been unreasonably withheld.

We do not feel it is necessary for seller, potential purchaser and park owner to all meet at one appointment – and in some cases this would be impractical (eg. Where the seller has relocated abroad, and appointed an Estate Agent to advertise the 'sited sale' of the home.) However, we feel it is crucial that the park owner and any serious potential purchasers meet before any sale is agreed – as it gives them the chance to 'get the feel' for one another, discuss the Park Agreement, and what will happen if there is an agreement between all parties to proceed with a sited sale.

It is our practice to ask existing residents to advise us if they wish to sell their home 'sited.' We then advise them in writing whether or not we agree with this suggestion –and if we agree in principle, we remind them of the relevant terms within the Park Agreement. Once they (or their Estate Agents) have found a serious potential purchaser we make an appointment to meet with them. At this meeting we provide them with a copy of the Park Agreement to take away and peruse, and we exchange questions and concerns. Following the meeting, we advise the seller (or their Estate Agent) in writing, whether not we 'approve' the person as a potential resident upon the park – and if so, remind them of their obligations (we suggest within the letter that a copy is also passed to the potential purchaser.) This arrangement seems to work very well and provides sufficient clarity to avoid confusion or dispute further down the line.

Succession and Inheritance

We reiterate our earlier concerns regarding our need to ensure that potential purchasers/residents will not threaten the quiet enjoyment of our existing residents, and would seek to retain our ability to 'approve' a person who acquires the home via a Will or the rules of intestacy where he is not already resident on the park.

Local Authority Inspections – Frequency & Associated Costs

We would be happy to be inspected by the LA on a yearly basis – but anticipate that on a well-operated park such as ours this would generate unnecessary work for the LA staff… who are already visibly stretched. We would suggest that the LA reserved the right to inspect and advise yearly – but were allowed to apply their knowledge of the park and park owner, and free to elect to inspect parks with greater or lesser frequency. This would allow them to apportion more time to parks on which they needed to keep a closer eye, without wasting valuable time and resources doing 'box ticking' exercises on parks with which they were already happy. It should not be forgotten that it also falls upon LA staff in holiday areas to inspect a large number of holiday parks – so their workload is already significant.

The financing of inspections should come direct from the Welsh Government budget, as the proposed regime will require more manpower – and we would not wish to see the costs of these borne by an already stretched Local Government budget. We would strongly object to being asked, as park owners, to fund this cost. However, were this the case, we would expect the WG to include a provision for us to pass on this cost to residents (either via an appropriate increase in Ground Rent/Pitch Fee or as an additional charge.) That said, we are not in favour of the principle of either park owners or park residents being asked to fund greater bureaucracy… which will be superfluous in many cases.

Were the Welsh Government to issue guidance on the frequency and nature of such inspections (which we are not convinced is necessary) we would suggest that it is formulated in conjunction with our industry representatives, and is issued as 'guidance' only, and not made mandatory.

Matters included within any licence conditions should typically address issues of safety and public health. At present, park owners are able to have park rules (re: dogs, children, operating businesses, construction of sheds, porches, garages, etc.) Licensing conditions should cover the bare bones needed for public health and safety, but should not seek to over-regulate, or seek to make all parks identical. Again, we would suggest that any standardisation of licensing conditions should be formulated in conjunction with our industry representatives.

It is crucial that if new licensing conditions are to be imposed upon existing parks, it is acknowledged that existing park layouts cannot be changed or altered with any degree of speed. By example, when our site licence was first issued, the average home was 8 foot wide. Single width homes are now typically 12 foot wide. Recommended safe distances between homes (fire safety consideration) have also increased. This has meant that as old homes have gradually been removed from the park we have had to shuffle spacing to accommodate the increased space requirements. As old homes are not moved en bloc, but taken out one by one as residents vacate the park, the task becomes even more challenging. We have 'lost' some of our original plots because of this. We anticipate that new park homes will be sited on the park for 20 years. They are bricked in and walled around, and often placed between existing homes. Residents often do significant work to their gardens. We would not expect to be asked to adjust the layout of these homes until they were removed from the park… and were we to 'lose' plots as a result of these requirements, we would expect to be granted a variation of our licensed layout plan, which enabled us to re-site our 'lost' plots elsewhere upon land on or immediately adjacent to our park.

Shelf-Life of Licences

Careful thought would have to be given as to whether licences should have a standard 'shelf-life' and whether LAs should be able to grant shorter licences if necessary. It is important to remember the capital outlay invested by both the park owner and the park home purchaser. Thought should be given as to what will happen to residents if licences are for fixed periods, and are then not renewed. In most instances residents own their own home, and merely pay a ground rent/pitch fee for the land on which it stands. Were a park licence to be revoked or left un-renewed, these people would have homes worth tens of thousands of pounds, and nowhere to site them... unless planning policy were relaxed so that each of them could then purchase private pieces of land and site their homes on those.

It should not be forgotten that park owners are operating businesses. Should they need to fund the development of their business by borrowing from a bank, they are highly unlikely to be able to secure funds if they are unable to prove that their licence (and their business) has a long term future.

There could be value in a LA being able to grant licences for shorter periods in instances where new residential parks are granted planning permission. However, it is our understanding that (perversely, bearing in mind the housing shortage in Wales) policy does not encourage the creation of new parks, so we cannot see that this would be much used.

Licensing Fees & Charges

We are against the suggestion that LAs should be able to charge fees for licensing residential parks, or to levy a regular annual charge to cover on-going administrative costs. This smacks of an elaborate money-making exercise and encapsulates our earlier concerns of greater bureaucracy at the expense of the business owner, and to the benefit of few.

If parks are being charged an annual charge and residents are paying Council Tax this is 'double dipping' – and also fosters the idea that people who live on residential parks are not entitled to be treated in the same way as those who live on housing estates in regular bricks and mortar properties. (Incidentally, our residents were delighted when we were able to change our name so that it read 'Scotchwell Park' instead of 'Scotchwell Residential Caravan Site' – so references to 'parks' rather than 'sites' would be very much appreciated!)

However, were an annual fee/charge introduced, its calculation formula would need to be arrived at in consultation with our industry representatives. We would like to point out that park income is generated per pitch, and we would not like to see a fee based on total area of park – as this would discourage park operators from including green space and generously sized plots.

When a resident moves onto our park we enter into Park Agreement with them – within which they agree to their payment of a ground/rent pitch fee. The Park Agreement also details the procedure and rules governing increases to this sum – and the fact that we are allowed to pass on additional costs that result from legislative changes. It would be unreasonable for the Bill to seek to negate this Agreement. It is also unrealistic to assume that park operators would be able to finance these sums themselves.

When considering the 'cost of parks to LAs' it should be remembered that most parks fund their own lighting, road and sewerage systems and maintain their own grounds. These are costs that the LA does not have to meet – but our residents do not have their council tax reduced accordingly. It is interesting

to note that at present, the street lighting in our town is switched off between midnight and 5am… whilst we continue to leave our park street lights on for the safety and welfare of our residents.

Fit and Proper Person Test

We have no objection to the suggestion that site operators must pass a fit and proper person test before being granted a licence. We would suggest that the formula for the test be arrived at in consultation with our industry representatives.

The fit and proper person test is seeking to establish that the park operator is likely to be just, honest, capable and reasonable in his running of his business. Apart from criminal convictions, a known history of contraventions of landlord/tenant law and breaches of environmental health related legislation could also be relevant. However, we would suggest that each application would need to be considered on its merits.

Fines and Penalties

We have no objection to a proposed increase in the level of fines, provided that they are fairly applied to obvious cases of deliberate breach only. Further, actual fines should reflect the potential seriousness of the condition breached (for example, a minor administrative failing should not incur as large a fine as a breach which possibly jeopardises the safety of residents.)

If LAs are given power to issued Fixed Penalty Notices, they should be asked to do so only in instances where they park owner is persistently refusing to engage or co-operate with them. We would not like to see a situation whereby FPNs are being used as a source of easy revenue by LAs. It should be remembered that both park operators and LA officers are trying to do a job, and if a good working relationship is established this works to the benefit of all – we would not wish to see FPNs jeopardising this… or officers being 'encouraged' to serve FPNs without discretion or the authority to apply their knowledge of the park and the park operator to each situation that they find.

Local Authority Powers to serve Enforcement Notices and carry out Work in Default

We think any power of the LA to serve enforcement notices and carry out work in default should be limited to instances of repeated and flagrant breach, and where the continued breach of the relevant condition would place the residents at significant risk of serious harm. However, we would be interested to know how happy the LAs themselves are to take on this responsibility.

Revocation of Site Licences

A site licence should only be revoked in cases of last resort – where there have been repeated and flagrant breaches of licence conditions by the park operator, that are such that they place the residents at significant risk of serious harm.

We reiterate our earlier observations that it is important to remember the capital outlay invested by both the park owner and the park home purchaser. Thought should be given as to what will happen to residents if licences are revoked. In instances where a park was known to be 'bad' it is hard to envisage finding a person willing to purchase, operate and 'rescue' it – particularly in light of extensive legislation and the possibility of significant fines and personal liability in the interim.

We would envisage a plethora of potential practical difficulties involved in the taking over of a park by the LA, or its management by the residents. It should not be forgotten that many people move onto parks in later life, after downsizing, and because they want an easier life – we anticipate that many of

our residents would baulk at the prospect of being asked to take over the management of the park were our licence revoked.

Internal Alterations to Homes

Whilst we agree that home owners should be able to make some alterations and improvements inside their home (provided that they own it) without requiring the consent of the park operator, there are some items which we should continue to be able to refuse – eg. Installation of solid fuel fires/heating systems, or subdivision of home to facilitate a greater number of sleeping occupants than those for which it was originally designed.

External Alterations to Homes

Having operated our park since the 1960's, and moved away from a regime whereby residents sought to, and made significant external alterations to their home – we can say with confidence that to erode the park operators control in this area would be a real step backwards in the industry. Unfortunately, what is deemed 'appropriate, in good taste and of quality workmanship' can be a subjective – and unless the park operator has clear authority in this area, it will provide a definite source of conflict and disagreement – to the detriment of both the park owner and residents. The Park Agreement, which residents agree to abide by when they move onto the park is clear on this point. As it stands, residents are clear that the home that they purchase (or live next door to) will not alter significantly from the outside – no extensions will be built on, or allowed to crowd the plot, it will not be painted a garish colour or creatively cladded. Those who purchase a second-hand home which is sited on the park know that it has not been subject to amateur or sub-standard DIY. It is important to remember that many people who move onto parks appreciate the additional clarity provided via the Park Agreement - particularly the knowledge that there are limits to what their neighbours can and can't do. From experience, significant alteration of the exterior of homes by residents also presents difficulties to the local Environmental Health team – as residents inadvertently jeopardise their own safety, and that of those around them.

For the reasons outlined above, we would deem it fair and reasonable to refuse residents permission to alter the exterior of their home visibly, beyond acceptable changes in paint colour and the construction of appropriate skirting beneath the home.

Financial Impact of the Bill (and knock-on effects)

We do not feel able to accurately estimate the financial impact of the proposed Bill on ourselves or our business at this stage. However, we have no doubt that the value of our business as a saleable asset, and the attractiveness of it as a viable business option to a potential purchaser (should we wish to sell it) will be drastically reduced. Should the Bill bring about shelf lives for Park Licences, and consequent insecurity for both park owners and residents, this will completely undermine the unique park owner/resident relationship – and have a negative impact on the security and financial viability of the park, and the value of the resident's home. We feel it to be completely unrealistic to defray all costs associated with this Bill to the park owner.

We fear that many existing reputable park owners will exit the industry, and that there will be few would-be park owners coming forward in view of the potentially profound financial impact resulting from the Bill. Further, few will choose a long term business venture via which they find themselves bound indefinitely into 'arranged marriages' with multiple residents. The loss of park owners will lead to the gradual decline in the number of residential parks and plots in Wales. This would be a great shame, when it is an acknowledged fact that residential parks provide an attractive and affordable

housing choice for many people – particularly those who are older or on fixed income - and thus more limited in finding affordable and suitable properties to purchase.

6th December 2012