



House of Commons
Communities and Local
Government Committee

Park Homes

First Report of Session 2012–13

Volume I



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First Report of Session 2012–13

Volume I: Report, together with formal minutes

Volume II: Oral and written evidence

Additional written evidence is contained in Volume III, available on the Committee website at www.parliament.uk/clgcom

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The Communities and Local Government Committee

The Communities and Local Government Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Communities and Local Government.

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The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at www.parliament.uk/parliament.uk/clg. A list of Reports of the Committee in the present Parliament is at the back of this volume.

The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some or all written evidence are available in a printed volume.

Additional written evidence may be published on the internet only.

Committee staff

The current staff of the Committee are Glenn McKee (Clerk), Edward White (Second Clerk), Kevin Maddison (Committee Specialist), Emily Gregory (Senior Committee Assistant), Mandy Sullivan (Committee Assistant), Stewart McIlvenna, (Committee Support Assistant) and Hannah Pearce (Media Officer).

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Summary

Malpractice is widespread across the park home sector and complaints from residents about unfair fees, poor maintenance and site owners making it difficult for residents to sell their homes are common. Though we recognise that there are some good site operators, it is clear that action is needed now to improve the sector and drive the worst offenders out.

The current legislation is inadequate. It neither deters the unscrupulous park home site owner from exploiting residents nor provides local authorities with effective powers to monitor or improve site conditions.

The most common problem is 'sale blocking', which is when a site owner effectively prevents a resident from selling his or her home on the open market by withholding approval of the prospective buyer. A site owner can then force the seller to sell to them at a reduced price and then sell the existing home, or a brand new home placed on the pitch, at a profit. To eliminate this practice we recommend legislation to remove a site owner's existing right to approve buyers. Pending the legislation, we also recommend that the Residential Property Tribunal be provided with clear powers to award damages and compensation to park home owners affected by sale blocking. We recognise that the proposed change places extra emphasis on sellers to make buyers aware of their obligations as park home owners. Therefore, we recommend that sellers advise potential buyers in writing of the obligations that will be placed on them.

Park home sites are licensed by local authorities but the powers and arrangements are those suitable to the 1960s. The park home licensing regime has to be modernised to provide authorities with powers similar to those used to regulate other forms of housing. For example, instead of maximum fines of £2,500, there should be no upper limit, in order to deter site owners from breaching licence conditions. Local authorities must also be able to charge for issuing site licenses so that they are better able to resource their activities and are able to recover costs for all enforcement action taken against those found to be in breach of licence conditions. These costs have to fall on those who break the rules.

The contractual obligations between park home owners and site owners are an area of confusion with some site owners failing to meet their obligations. The new legislation we call for has to make clear the obligations on site owners for maintaining their sites. In addition, site rules, which can define obligations, have to be deposited with local authorities who should be given powers to enforce them.

We welcome the Government's consultation 'A Better Deal for Mobile Home Owners'. The proposals it sets out should go a long way to improve the sector. However, the Government needs to go further and commit to undertake a survey of the sector to ensure that any changes are effective. If the expected improvements do not happen, the new legislation must provide a power for the Government to allow local authorities to withdraw and withhold licences from site owners found not to be 'fit and proper'.

1 Introduction

The park home industry

1. According to the Government about 160,000 people live in 84,000 park homes which accounts for around 0.38% of the total housing in England.¹ There are around 1,950 park home sites across England, which are concentrated in rural and seaside locations. The vast majority of park home sites are privately owned with a small number owned by local authorities.² Park homes have proved attractive to retired people wishing to release capital from the sale of a house and find a pleasant and peaceful location with a sense of community to live in permanently. As a consequence park residents tend to be older than the population as a whole: in 1992 about 55% of park homes were occupied by people aged 60 or over.³ A decade later this proportion had risen to over 68%.⁴

Park home ownership and the park home business model

2. The park home sector developed out of caravan sites after the Second World War consequently it does not have the traditional forms of housing tenure found in England—such as rental tenancies, leaseholds or freeholds. While most residents own their own homes (which are legally chattels, that is they are mobile homes,⁵ although in practice most are not mobile), they do not usually own the land on which their homes are stationed. They pay a pitch fee to the site owner for the use of that land, and for the provision of associated services, which often includes utilities and the management of site facilities. In contrast to traditional “bricks and mortar” housing, site owners can generate additional income by selling new homes on their sites—in the past park homes had a life of 20 to 30 years and so needed to be replaced—and also from a ‘commission’ on the sale of a home by a current owner to a new owner. The site owner has entitlement of up to 10% of the sale price. The latest economic assessment of the sector, undertaken in 2002, estimated that income from sales formed 51% of site owners’ revenue, pitch fees 42%, and commission the remainder.⁶

Park home regulation

3. The framework that regulates the occupation of park homes and the park home industry has evolved in a piecemeal fashion. The Caravan Sites and Control of Development Act 1960 requires that all park home sites are licensed by local authorities, and provides local

¹ Ev 140, para 3

² *As above*

³ Ev 140, para 5

⁴ Office of the Deputy Prime Minister, *Economics of the Park Homes Industry*, October 2002, executive summary, para 9

⁵ According to the Department for Communities and Local Government, Park Homes Factsheet, *Consolidated Implied Terms In Park Home Pitch Agreements*, “mobile home” has the same meaning as “caravan” in Part 1 of the Caravan Sites and Control of Development Act 1960, namely “any structure designed or adapted for human habitation which is capable of being moved from one place to another (whether by being towed, or by being transported on a motor vehicle or trailer) and motor vehicle so designed.

⁶ Office of the Deputy Prime Minister, *Economics of the Park Home Industry*, 2002, fig 4.2

authorities with powers to take site owners to court for breaches of licence conditions. The Caravan Sites Act 1968 provides park home owners with some protection against eviction and harassment. The Mobile Homes Act 1983 regulates the contractual relationship between the site owner and resident. It provides the site owner with an obligation to maintain a site, the right to receive commission of the sale price and, where a home is sold, the right to approve the buyer. The 1983 Act was amended in 2006 to provide that certain new terms are to be implied in agreements. The jurisdiction for disputes under the 1983 Act was transferred from county courts to the Residential Property Tribunal Service on 30 April 2011.

Our inquiry

4. As parliamentarians we are aware that many who live in park homes have raised concerns about practices in the sector. A number of us have received representations from constituents who live on park home sites describing a range of problems. A number of park home owners campaigning groups as well as the All Party Parliamentary Group on Mobile Homes are pressing the Government for changes to the law.⁷ We undertook this inquiry in light of these concerns, to identify the key issues that residents face, to assess the scale of the problems and to examine what legislative solutions might be appropriate.

5. We have received over 250 written memoranda. We took the exceptional step to redact some of this evidence where those who submitted written submissions asked for their names to be withheld and where serious allegations were made directly against named individuals. We have drawn on this evidence to examine how the sector as a whole is functioning. (It is not our role to adjudicate on specific allegations against individual site owners or park home owners.) We also took oral evidence from park home owners and groups campaigning on their behalf, site owners and industry representative bodies, local authorities, including councillors, a number of other interested organisations, and the Minister for Housing and Local Government, Rt Hon Grant Shapps MP. On 5 March we visited two park home sites in Bournemouth and took evidence in public at the Town Hall. We thank all those who took the trouble to submit or give evidence, to Bournemouth Council for arranging our visit and to our specialist advisor Tim Selley.⁸

Problems in the park home industry

6. Though we recognise that there are some good park home site operators, the evidence we received suggested that malpractice was widespread across the sector. Complaints ranged from miscalculation of increases to pitch fees and utility charges, through poor site maintenance, to allegations of harassment and intimidation by site owners against residents. Top of this list was abuse of the site owners' power to approve new buyers to prevent home owners from selling—a practice known as 'sale blocking'.

⁷ For more information about the case, see: "Mobile home owners 'preyed upon'", BBC News, August 2009, <http://news.bbc.co.uk/1/hi/uk/8222356.stm>.

⁸ Tim Selley declared the following interests: Solicitor undertaking legal work for park home owners and residents' associations, including some who have submitted evidence to the Committee's inquiry, and frequently charging legal fees for legal work. Listed by the Independent Park Home Advisory Service as providing legal advice.

7. Although at the time we took oral evidence there was no independent survey to quantify the extent of the problems, the Park Home Owners Justice Campaign reported a recent survey which covered 803 of the estimated 1,950 park home sites in England. This reported that 48% of these parks had residents ‘living under the regime of an unscrupulous park owner’, many of whom had been reported as being aggressive, abusive, violent and dishonest. In addition, a further 14% of parks reported their site owner as evasive, misleading, dismissive and unprofessional. Subsequently, Consumer Focus has provided us with the preliminary findings from research it has undertaken. This research took responses to questionnaires from 70% of local authorities in England and used information from interviews with 1,000 residents. Its key findings included:

- 25 per cent of residents had experienced problems with maintenance, security or safety standards;
- 19 per cent of people had problems regarding their written contracts or pitch fee agreements and;
- Residents of sites owned by 28 different owners reported having experienced intimidation by site owners/managers.⁹

8. The Minister reached similar conclusions. He also told us that he saw the problem growing:

I have gone from thinking this was possibly a smallish problem with some rogues to being absolutely convinced [...] that it is quite a serious, big—without being the majority—and growing problem. It is of a very significant size and therefore absolutely requires and demands Government attention and time.¹⁰

Government Consultation

9. Concerns about the park homes sector are not recent. In May 2009 the previous Government announced that it would introduce a comprehensive package of proposals to reform the sector.¹¹ A further paper was published on 30 March 2010 which set out options for improving the management of park home sites and site licensing reform.¹² No measures were implemented prior to the 2010 General Election. In February 2011, the Coalition Government announced its intention to consult on new measures to “better protect mobile home occupiers”.¹³ A consultation document, *A Better Deal for Mobile Home Owners*, was published, after we launched this inquiry, on 16 April 2012 by the Department for Communities and Local Government (DCLG) with proposals to :

- address sale blocking;

⁹ Ev 87

¹⁰ Q 472

¹¹ Department for Communities and Local Government, *Park Home Site Licensing—Improving the Management of Park Home Sites*, 2009

¹² Department for Communities and Local Government, *Park homes site licensing reform: The way forward and next steps*, 2010

¹³ HC Deb, 7 February 2011, col 75W

- improve the contractual relationship between home owners and site owners;
- improve provisions in the Caravan Sites Act 1968 on criminal offences; and
- reform the park home site licensing system.¹⁴

10. The Minister explained to us that the measures in the 2012 consultation were designed to drive the worst offenders out of the industry:

we need to drive them out of the market entirely and just make it one of these things where, if you are the extortionate type who builds up their business off the backs of others rather than through making an honest profit, this is no longer the business for you and you might as well sell up.¹⁵

This report

11. We welcome publication of the Government's consultation document. In our view, however, the extent of the reported problems and the history of piecemeal legislative changes requires a wider examination of the sector going beyond the issues covered in the Government's consultation. In chapter 2 we consider the extent to which sales blocking lies at the heart of problems the sector faces and how it can be prevented. In chapter 3 we examine how the licensing regime should be amended to improve site management. In chapter 4 we consider whether there should be a fit and proper test for site managers, an issue not proposed in the Government's consultation document. In chapter 5 we set out how agreements between site owners and residents could be improved.

12. Finally, we have considered at several points in our report the timing of changes and whether the circumstances in the sector are such that they need to be made urgently. When the Minister gave evidence it was clear that a Government bill was not imminent (see paragraph 26). We have reservations about this approach, which we set out in our report, but, to assist before primary legislation is brought forward, we make a number of recommendations to reform the sector which could be achieved quickly through existing powers to make secondary legislation.

¹⁴ Department for Communities and Local Government, *A Better Deal for Mobile Home Owners*, April 2012

¹⁵ Q 494

2 Sale blocking

13. ‘Sale blocking’ has been a common complaint in the submissions we received from park home owners.¹⁶ It occurs when a site owner withholds approval of a buyer of a park home solely to prevent a park home owner from selling his or her home on the open market. By blocking a sale, the site owner can force the resident to sell the home to the site owner at the price he or she offers. The attraction for the site owner is that he or she is then able to put a new home on the pitch and sell that (or, if the existing home is in good repair) sell the existing home at its full market value. The economics of the park home sector mean that it can be more lucrative for a site owner to block a sale than to take 10 per cent commission on a sale to a third party. Maria Battle, from Consumer Focus, told us that “massive profits can be made” through sale blocking:

You can buy a site with 30 homes on it. If you manage to block 10, you can make £1 million immediately and pay off your mortgage.¹⁷

14. Sale blocking can be achieved by several methods. The Government described examples of sale blocking where site owners were slow to respond to requests to approve a buyer, or by refusing approval on spurious grounds.¹⁸ We also heard that some site owners used interviews, which they insisted on as part of the approval process, to persuade prospective buyers to purchase a new home from them elsewhere on the site.¹⁹ In the most extreme cases, residents have reported direct intimidation and harassment. One resident described his experience:

Many times in the last 15 years, the park owner has refused to let residents sell their older homes even though they have been in good condition. Many of these residents have been elderly or in poor health and some have died and left their home to a relative.

The pitch fee still has to be paid even though they are blocked from selling it. It is alleged that one prospective purchaser was told by the owner: ‘You can buy it, but I’ll make your life a misery if you do.’ Nobody would buy a home on a park if they were told that by the park owner.

This is an extremely stressful situation for residents and consequently all of those residents accepted a very low offer for their home from the park owner. If it is a resident in dispute with the park owner who wants to sell then he refuses until they pay their so called arrears, i.e. disputed increases. He then still refuses and eventually they also accept a very low offer from the park owner. He then removes the old home and replaces it with a new one thus making him a lot more money.²⁰

¹⁶ For example, Ev w5 [name redacted], Ev w15 [name redacted], Ev 90 [Consumer Focus], Ev w268 [name redacted], Ev w282 [name redacted]

¹⁷ Q 135

¹⁸ Ev 141, para 21

¹⁹ Ev w191 [Annette Brooke MP]

²⁰ Ev w154 [name redacted]

The financial loss of a sale can be substantial. Consumer Focus set out a case in their written evidence where a buyer was persuaded to buy a home directly from the site owner, this time in Wales:

Consumer Focus has spoken with one couple who lost a total of £65,000 due to their site operator blocking the sale of their park home.

The couple moved to a site in Wales in early 2007. The couple bought their park home for £135,000, however after only 15 months living on the site they decided to leave (due to family reasons) and placed their park home on the market again.

They quickly found a buyer based in the north of England who offered them £110,000. The sale was agreed and the couple asked the site operator for approval of the potential purchaser. The potential purchaser was then informed that they would have to travel to the park home site in order for the site operator to interview them. It had been explained that the purchaser was unwell and making such a journey would be very difficult. Consequently the sale fell through due to the potential purchaser not wishing to travel such a distance.

However the couple later found out that the site operator had instead offered the same purchaser one of the site operator's own park homes for sale. The site owner agreed that the purchaser would not have to travel in order to be interviewed if they bought one of the site owner's park homes. As a result, the prospective purchaser bought a home on the same site from the park operator instead of the residents.

After 18 months of couple's park home being on the market, it eventually sold for only £70,000. The site operator also demanded that the 10% commission on the property was paid directly to them before the transaction went through.²¹

Scale of the problem of sale blocking

15. Consumer Focus told us that it was not easy to assess the scale of sale blocking, pointing out that it was difficult to contact people who had suffered sale-blocking either because they had moved on from the site or because the practice was often targeted at relatives of deceased park home owners disposing with their estates. The Consumer Focus survey of current residents found that 21 out of the 484 residents (4%) had personal experience of sale blocking.²² The Government acknowledged that, "while the practice of sale blocking was not universal" (39% of residents reported they bought their homes second hand from the existing occupier), it was aware of a level of complaint that "suggested that sale blocking is widespread".²³ In 2002 research carried out for the Government reported that 43% of park home owners were aware that others on their parks had experienced pressure from site owners to sell their home to them.²⁴

²¹ Ev 83

²² Ev 90

²³ Ev 141, para 20

²⁴ Office of the Deputy Prime Minister, *Economics of the Park Home Industry*, 2002, executive summary, para 16

16. Mark Colquhoun, a Detective Inspector from West Mercia Police, was the senior investigating officer for an investigation into criminality at a park home site in Worcestershire in 2007.²⁵ He told us that sale blocking was at the heart of problems in the sector and led to incidents of harassment and other malpractice by site owners:

[...]sale blocking was the key to the criminality that was perpetrated by those particular site owners. Without the ability to block sales, I genuinely think that the vast majority of the problems that occurred on that site would not have occurred at all. The ability to block sales, I think, can actually act as an enabler for those who want to commit what are serious criminal offences against their residents.

Both the British Holiday and Home Parks Association (BH&HPA) and the National Caravan Council recognised that sale blocking occurs and they supported legislation to prevent it.²⁶

17. We are clear that sale blocking is a serious problem in the park homes sector and that it needs to be prevented.

Prevention of sale blocking

18. In examining how to prevent sale blocking we started with two questions. First, whether the recent measures introduced to prevent site owners unreasonably withholding approval offer the prospect of stopping the abuse and, second, whether the need for the owner's approval was justified.

19. The Residential Property Tribunal (RPT) has statutory responsibility for settling disputes affecting park homes in a number of subject areas. This work was transferred to them from the county courts in April 2011 in order to “create a level playing field between site owners and residents in resolving disputes and enforcing their rights”.²⁷ Eight of twenty one cases heard so far by the Tribunal have been about sale blocking.²⁸ In none has the tribunal found the site owner had acted reasonably in not giving approval. Although it is early days, these determinations by the Tribunal appear to underline the perception that the behaviour of a number of site owners has not been reasonable.

20. While we welcome any change that reduces sale blocking, we are not convinced that the transfer of jurisdiction of complaints under the 1983 Mobile Homes Act to the Residential Property Tribunal (RPT) will make a significant impact on the problem. The RPT does not have a clear power to compensate those affected by site owners who unreasonably block sales, which blunts the RPT's effectiveness (we examine this issue further from paragraph 26 below). Moreover, it appears that the Government itself accepts that changes have to be made as the options in the consultation document do not include the maintenance of the status quo. The three options presented in the Government's

²⁵ For more information about the case, see: “Mobile home owners 'preyed upon'”, BBC News Website, 2009, <http://news.bbc.co.uk/1/hi/uk/8222356.stm>

²⁶ Ev 110, Ev 117

²⁷ HL Deb, 2 March 2011 col 172GC

²⁸ Q 131 [Maria Battle]

consultation would see significant changes. Two would envisage a significant enhancement of the role of the RPT and a shift in presumption and procedures in favour of the seller.

- A buyer would be deemed approved unless the RPT, on application from the site owner, declared them unsuitable. To prevent vexatious applications, the RPT could prevent the site owner from receiving the 10% commission if the RPT sided with the seller.
- The approval process remains in place but the RPT could intervene and rule that the site owner would lose the power to approve buyers for two years and would not be entitled to commission for the sale of the property triggering the referral to the RPT.²⁹

The third option is more radical and would see the requirement to allow the site operator to approve a buyer abolished.

21. The Park Home Owners Justice Campaign suggested, that, if the RPT was to have a continuing role, it (or solicitors) took over the approval process:

Therefore completely removing the “Approval of the Buyer” process from the Site Owner. It would be for the Solicitor or Residential Property Tribunal to approve the references given by the prospective purchaser and ascertain that the potential purchaser conforms to any age requirement for the park and any existing site rules.³⁰

However, there are concerns from within the industry that passing responsibility onto the residential property tribunal might slow the process down too much which might itself deter buyers and “disadvantage the seller”.³¹

22. In our view, enhancing or reforming the role of the RPT or assigning responsibilities to an independent solicitor can only be defensible if there is a clear justification for approval of a buyer by the park home site owner. Consumer Focus, the National Association of Park Home Residents and the Park Home Owners Justice Campaign argued that the best way to stop sale blocking was to remove the right of site owners to approve park home buyers.³² Consumer Focus recommended that:

Due to the substantial financial detriment that can result in a loss of a sale, Consumer Focus thinks that it is disproportionate to continue with the current system for approval. [...] It is strongly recommended that the approval process for a potential purchaser of a park home is removed entirely.³³

23. Representatives from the park home sector told us that the site owner’s right to approve prospective buyers did have merit. It ensured that incoming buyers could be relied upon to pay their pitch fees or conform with site rules (some park home sites had, for example,

²⁹ Department for Communities and Local Government, *A better deal for mobile home owners*, April 2012, paras 1.14–1.30

³⁰ Ev 110

³¹ Ev 115 [British Holiday & Home Parks Association], Ev 84 [Consumer Focus]

³² Ev w35, Ev 83, Ev 100

³³ Ev 84

rules about the minimum age of residents or keeping pets).³⁴ However, we heard from a number of site owners to suggest that approval is rarely required. Katy Buswell, who runs a park home site, told us that:

in the interests of the incoming resident and the community of the park as a whole, it is helpful if I am involved in the process. I do not have a right to say that somebody cannot sell their home. All I have is a right to approve the incoming person, which must not be unreasonably withheld. As far as I am concerned, they have to meet the park criteria. On my parks we do not have an age rule, so it does not apply to me, and we do allow pets. I have been involved since 1983, and I have never refused a purchaser.³⁵

Malcolm Kent, another site owner, said that:

We have refused people based on age—that is all—but only in very few cases. All our advertising is for 50-plus, and they are usually the type of people who come to us. We also think we have a duty to protect the residents who live on the park. If you buy a park home for a quiet retreat, you do not expect someone to move in next door with three children, two dogs and everything else that goes with it. Anybody who spends these considerable amounts of money should want to meet the park owner.³⁶

24. Sale blocking remains a significant problem that must be addressed urgently. It appears to us that the power of site owners to approve buyers is used more often to block sales illegitimately than anything else. The benefits from this process could be achieved by improving the information that buyers receive (we discuss this later in paragraph 81). **We conclude that removing a site owner’s right to approve prospective buyers provides the only effective way to eliminate sale blocking. The existing approval process is unnecessary and it is rarely used legitimately. Given current experience there is a significant risk that any mechanism to provide site owners with the power to approve, or review, a sale through the RPT would be exploited to block sales, either by slowing the sale process down or by threatening its use. We recommend that the Government remove the site owner’s power to approve buyers of park homes on his or her site.**

25. We recognise that the removal of a site owner’s right to approve buyers will reduce the owner’s contact with the seller and, to work satisfactorily, will make a significant change to the position of the seller. It would transfer responsibility on to the seller to make a buyer aware of site rules and the pitch agreement. Removing the right to approve would only be a workable solution if the Government simultaneously enacts measures to ensure that buyers are better informed of the rights and obligations of park home owners. We have included recommendations on site rules (see paragraph 74) and providing information to buyers (see paragraph 82) to do this.

³⁴ Ev 110 [National Caravan Council], Ev 117 [British Holiday & Home Parks Association]

³⁵ Q 185

³⁶ Q 186

Immediate measures for the Residential Property Tribunal

26. When we asked the Minister to explain the timetable for legislation following the Government's consultation exercise, he explained that it was unlikely to find parliamentary time as a Government bill and he suggested that it might be brought forward as a private Member's bill. On the assumption that primary legislation is not planned this session, we asked him if there were measures that could be enacted more quickly through secondary legislation. He told us that the bulk of the consultation document would require primary legislation. We identified the following measure the Government could enact through secondary legislation.

27. Although the RPT is able to determine park home disputes, it is not clear whether it is able to award damages or compensation for incidents of sale blocking.³⁷ The BH&HPA told us that providing the RPT with a clear power to award damages and compensation would introduce a useful deterrent:

much as the RPT allows the homeowner to achieve a relatively quick determination, to date the RPT has not awarded damages sufficient to create a deterrent. For example, four parks' failure to observe the requirements for park home sales has been identified by RPT Determinations. If the RPT ordered the park owner to compensate the homeowner for the financial cost of the loss of their buyer, that deterrent could resolve many of the issues reported with park home sales.³⁸

28. The current consultation document provides measures to increase the powers available to the RPT and proposes to make it clear that it should be able to award compensation and damages.³⁹ If these powers can be introduced through secondary legislation, we see no reason to wait for other changes that require primary legislation. **Sale blocking is an ongoing problem that blights the sector. Immediate action is required to deter site owners from exploiting residents and blocking sales. We recommend that Government bring forward a statutory instrument this session to enable the Residential Property Tribunal to award compensation and damages in cases where sales have illegitimately been blocked. If the Government is unable to do this, in responding to our report it must set out why it feels unable to do so.**

The 10% commission on sales

29. We received complaints from park home owners about the commission that they are required to pay to site owners on the sale of their homes.⁴⁰ As noted above, a site owner can require a seller of a park home to pay a commission up to a maximum of 10% of the sale price. Any changes to the 10% commission would impact on the economics of the sector, and potentially have a knock-on effect increasing other fees paid by home owners otherwise the financial viability of sites would be undermined. The research undertaken for

³⁷ Department for Communities and Local Government, *A better deal for mobile home owners*, April 2012, para 2.43

³⁸ Ev 115

³⁹ Department for Communities and Local Government, *A better deal for mobile home owners*, April 2012, para 2.45–6

⁴⁰ Ev w5 [*name redacted*], Ev w28 [Douglas Michael Gray], Ev w249 [Eleanor's Wood Qualifying Residents' Association]

the Government in 2002 by Berkley Hanover Consulting found that pitch fees would rise significantly if the commission to site owners was reduced:

Simply decreasing or eliminating the maximum commission outright would mean that operators would have to increase prices elsewhere. [...] If commission was abolished, pitch fees would rise by 20–32%. This might impact on the attractiveness of this form of tenure.⁴¹

30. In Bournemouth, we heard from Richard Grigg, a site owner, who told us that at one site he knew of a residents' association that was given the option of reducing the commission fee they would pay on a home sale if they agreed to an increase in pitch fees. He said that only one in around a hundred residents agreed to this.⁴² His view chimed with a wider canvass of views carried out in 2006. The Government pointed out in its written submission that:

The previous Government consulted in 2006,⁴³ on what the appropriate maximum rate should be. Some residents favoured a reduction in, or abolition of, the commission rate, but accepted that it would result in higher pitch fees—these residents generally intended to sell their home at some point in the future. Other residents who generally saw their park home as their “home for life”, wished to retain the existing rate in return for the protected pitch fees. Site owners, however, held the view that the rate should not be changed.

Given the balance of views arising from the previous consultation we do not see there is a strong case for revisiting the rate.⁴⁴

31. We see no pressing reason to change the maximum commission that is paid to site owners on the sale of park homes. The commission is an important source of revenue for site owners and provides funding for properly managing and maintaining sites. Indeed, a change could disturb the balance between commission and pitch fees, resulting in a significant and unwelcome increase in pitch fees for many residents on fixed incomes. **We conclude that the right of site owners to receive up to 10% commission from the sale of park homes on their sites should remain in place. Without this revenue pitch fees would have to rise. Furthermore, the commission provides site owners with an incentive to allow home owners to sell their homes on the open market. Without it, and in the absence of legislation to abolish the site owner's approval of buyers, incidents of sale blocking may increase.**

⁴¹ Office of the Deputy Prime Minister, Housing Research Summary: Economics of the Park Homes Industry, 2002, p 4

⁴² Q 70

⁴³ Department for Communities and Local Government, *Park Home Commission Rate: A consultation paper*, 2006

⁴⁴ Ev 142, paras 28–29

3 Park home licensing

32. Park home sites are required to be licensed by local authorities under the Caravan Sites and Control of Development Act 1960. Although the legislation was originally designed to cover holiday and mobile caravan parks, it now provides the means for local authorities to ensure that park home sites are safe, and fit for habitation. Under the 1960 Act local authorities can attach conditions to a licence, which can cover:

- the permitted number of caravans (that is park homes) on the site;
- their spacing, density, size and siting; and
- the amenity of the land, health and safety issues and facilities on the site.⁴⁵

33. Under the arrangements the authority must issue a licence (within a specified time) if it is satisfied the site has planning permission for use as a caravan site and the applicant has not within the previous three years had a site licence revoked. Local authorities can refuse to grant licences only under exceptional circumstances. This makes it difficult for authorities to require that site standards are met before issuing a licence. Furthermore, licences must generally be granted for an indefinite period. The maximum penalty the magistrates' court can impose for a breach of site license is £2,500. It is also an offence for a site owner to cause or permit any part of any land to be used as a caravan site without a licence from the licensing authority. The fine for this offence is £2,500. Under the 1960 Act a local authority has power to apply to the magistrates' court to revoke a site licence. However, this is only available on a third or subsequent conviction for breach of a licence condition.⁴⁶ The exercise of these powers is discretionary, and the local authority is not obliged to take action for licence offences.

34. A number of organisations and individuals have told us that the existing licensing regime is too weak to deter unscrupulous site owners from failing to manage or maintain sites properly nor does it provide local authorities with an adequate means of monitoring the application of the legislation or enforcing it.⁴⁷ Consumer Focus submitted evidence that the 1960 Act was considered by most local authorities to be “out of date” and that the current regime “fails to make provision for effective enforcement”.⁴⁸ All the evidence we have received from local authorities called for a strengthening of powers to regulate conditions on sites.⁴⁹ We see no reason to dissent from this view. The question then is what changes should be made.

⁴⁵ Ev 140, para 8

⁴⁶ Department for Communities and Local Government, *Park Home Site Licensing—Improving the Management of Park Home Sites*, 2009, para 48

⁴⁷ For example, Ev 108 [National Caravan Council], Ev 101 [Independent Park Home Advisory Service], Ev 114 [British Holiday and Home Parks Association], Ev 85 [Consumer Focus]

⁴⁸ Ev 93

⁴⁹ For example, Ev w184 [South Gloucestershire Council], Ev 125 [Cornwall County Council], Ev w183 [Ashford Borough Council], Ev w186 [Epping Forest District Council]

Fines for site owners

35. Hart District Council was typical of many authorities⁵⁰ in noting that the level of fines for breaching licence conditions was inadequate. They argued that some authorities' legal sections were reluctant to prosecute site owners because it was 'not in the public interest' to prosecute because of the low level of fines and the amount of resources required to do this successfully.⁵¹ The British Holiday and Home Parks Association (BH&HPA) agreed and told us that currently:

the maximum fine for a breach of site licence [...] is not sufficient. If you are talking about fraud, misrepresentation, or that sort of thing, it should be much higher. It should be a sufficient deterrent not to do it.⁵²

A number of other local authorities noted that in many cases the cost to a site owner of incurring a fine could be less than the cost of undertaking works to comply with a breach of a licence condition and fines need to be increased to "create a sufficient incentive to effect a repair".⁵³

36. The owner of the Stour Park Site in Bournemouth told the Committee that the best way to prevent bad site management was to increase significantly the scale of fines and suggested an upper limit of £250,000.⁵⁴ When we put this figure to other site owners (Malcolm Kent and Katy Buswell) and representatives from the National Caravan Council and the BH&HPA, they all agreed that an increase in that order would be an acceptable deterrent, providing that such fines were proportionate to the licence breaches.⁵⁵

37. The Government's consultation document, *A Better Deal for Mobile Home Owners*, provides a proposal to "increase the maximum fine a court can impose on conviction for breach of a site licence".⁵⁶ The accompanying impact assessment describes two options, either to cap fines at £50,000 or provide that fines could be unlimited:

upon conviction for that breach increasing the penalty to either an unlimited fine (to enable the Court to take into account the impact of the offence on residents), or to cap it at £50,000, which would enable the Court to set a fine which was an effective deterrent in the majority of cases.⁵⁷

38. From evidence from local authorities, site owners and home owners it is clear to us that existing financial sanctions for breaches of licensing conditions do not deter site owners from breaching licence conditions. Furthermore, because it is difficult for licences to be revoked, unscrupulous site owners are willing to risk the small financial sanctions that exist

⁵⁰ Including Ev w163 [Eastleigh Borough Council] and Ev w183 [Ashford Borough Council]

⁵¹ Ev w170 [Hart District Council]

⁵² Q 210

⁵³ Ev 124 [Cheshire West and Chester Council]

⁵⁴ Q 62 [Richard Grigg]

⁵⁵ Q 210

⁵⁶ Department for Communities and Local Government, *A Better Deal for Mobile Home Owners*, April 2012, para 4.3

⁵⁷ Department for Communities and Local Government, *A Better Deal for Mobile Home Owners*, and Department for Communities and Local Government, *Changes to the local authority site licensing regime Impact assessment*, April 2012, para 13

rather than properly maintain their sites. **We welcome the Government’s proposal to increase the fines for breaching site licence conditions. To ensure that fines are an effective deterrent and can be proportionate in even the most extreme cases, we recommend that there be no upper limit on the fines that can be imposed. To ensure that these increases are an effective deterrent and are applied consistently the Government must ensure that the Sentencing Council’s guidance for Magistrates is updated to reflect these changes and guide magistrates to impose fines in proportion to the scale of the offence that has been committed.**

Licence Fee

39. Increased resources for local authorities was a common theme in submissions from authorities, park home owners and the park home industry. The National Caravan Council called for strengthening the powers of local authorities to take action under the licensing regime against unscrupulous owners, and said that extra resources and funding had to be made available to local authorities to help them do this. They said that local authorities must be given the resources and training to carry out their responsibilities consistently.⁵⁸ Maria Battle told us that the findings from the Consumer Focus survey of local authorities site licensing showed that:

You have to revisit the licence over a number of years. It needs to be more cost effective with more financial incentives for local authorities to be more involved in the enforcement regime. I am not asking for more regulation but for financial incentive to enforce what is there at the moment.⁵⁹

40. Local authorities are currently unable to charge either for issuing a site licence to a site owner or for inspection or enforcement of the licensing regime. These costs, particularly enforcement, can be significant. Cheshire West and Chester Council explained that:

In summary the costs to the local authority have been high in officer time and interventions and benefits resulting from this significant effort operating within the existing regime, very limited, when viewed from both the perspective of the local authority and park home residents.⁶⁰

They called for a license fee that covered the cost of carrying out the necessary preventive checks for new sites and site inspection for existing sites.⁶¹

41. It is clear that local authorities do not have the resources to monitor park homes effectively. The existing regime should be changed to provide local authorities with a funding source to resource adequately their park home licensing activities. This funding would have to come from either council tax income or a charge for the licence. We consider these options below.

⁵⁸ Ev 106

⁵⁹ Q 159

⁶⁰ Ev 121

⁶¹ As above

42. The Minister, Mr Shapps, told us that charges for licences would provide a ‘link’ between licensing authorities and sites which would result in more action being taken against the worst site owners. The current Government’s consultation document sets out proposals to permit local authorities to charge a fee for issuing a licence, an annual fee for licences, and a fee for transfers of a licence and variations to a licence. The Impact Assessment accompanying the consultation document estimates the upfront cost of a new licence to be about £1,500, but it would leave it to local authorities to set a price structure.⁶²

43. A charge for issuing a license comes with a risk of increased pitch fees for park home owners. Though increases to pitch fees are regulated (see paragraph 7571) site owners are able to pass on the increases incurred from some running costs. Brian Doick, President of the National Association of Park Home Residents, explained that “if there is a payment system for licensing, it will not be the park owner but the residents who pay it”. Maria Battle explained that:

Many [park home owners] are cash poor, and that is their capital. They have downsized and invested in this ideal home. I hear all the time that they wanted peace and a lovely site and to live in a community. They are very frightened of the pitch fees going up.⁶³

44. Park home sites tend to be concentrated in seaside and rural locations.⁶⁴ Authorities with a large number of park home sites may find that a significant financial burden is placed on them unless the funding to resource their licensing activities was linked to the number of sites. The best way to do this would be to charge on a site by site basis. **We conclude that the Government should allow local authorities to charge for their costs of issuing licences for park home sites. The legislation to enable them to charge should make a clear link between fees received and resourcing activity to license and monitor park home sites, to encourage more monitoring action across all authorities and encourage consistent performance. The legislation should also ensure that each licence is reviewed annually, so that the existing licence is updated, and it should introduce a fee for this so that authorities are resourced to carry out this function. We consider that site owners should be able to pass licence fees on to home owners but that this could only be done fairly if:**

- **licence fees are linked to the number of pitches on a site. If they are not, residents on smaller sites would risk facing disproportionate pitch fee increases.**
- **licence fees are not used to resource local authorities’ enforcement action but only to cover the cost of administration, review and monitoring. Authorities should be able to resource their enforcement operations through a cost recovery model instead. (We consider this issue in the next section.)**

⁶² Department for Communities and Local Government, *A Better Deal for Mobile Home Owners: changes to the local authority site licensing regime: impact assessment*, April 2012, para 23

⁶³ Q 166

⁶⁴ Ev 140

Enforcement action and recovery of costs

45. A number of local authorities have called for powers to intervene and undertake works to improve sites when licence conditions are not met and to recover their costs from site owners.⁶⁵ The 1960 Act does not allow authorities to recover costs from any work or enforcement action undertaken if licence conditions are not met. The Government recognised that in practice, this “severely limits a local authority’s ability to provide effective scrutiny of the sector”.⁶⁶ Mid Suffolk District Council explained when they might want to exercise such a power:

there is a need to make provision for emergency improvement powers, to be used where there is, for example, an imminent risk to residents on site associated with failure to comply with a site licence condition, with similar provision to prosecute, carry out works in default, recharge and to recover costs through the local land charges register.⁶⁷

46. We received a range of evidence on how a charging regime could operate. A number of local authorities favoured arrangements similar to those that covered houses in multiple occupation (HMOs).⁶⁸ This provides local authorities with a power to undertake work and recover the costs from the HMO owner. Bromsgrove District Council proposed that authorities should be able to issue improvement notices, similar to those under the HMO scheme. These could be issued to site owners to require that improvement works were carried out. If work was not undertaken, the authority could undertake the work and recover their costs from the site owner.

47. Ros Pritchard, from the BH&HPA, suggested a different model based on the Health and Safety Executive’s (HSE) cost recovery practices.⁶⁹ The HSE aims to recover any intervention costs where duty holders are found to be in breach of health and safety law. Such a model could be used to charge site owners for site visits and investigative work along with improvement works. Charging operators of the worst sites, that is those requiring enforcement and remedial action, for the work undertaken by a local authority to ensure compliance with the site owners’ obligations for their sites, ensures that the authority’s costs in operating a licensing system for all park homes, and thus the costs falling on those well-run sites in compliance, would be unaffected.

48. The Government’s consultation document proposes that local authorities have the power to serve notices on site owners requiring that they undertake works to comply with licensing conditions and that, if works are not undertaken, to do the work themselves and recover the cost from site owners. The document also proposes that site operators will be unable to pass any of these costs (other than licence fees) on to home owners.⁷⁰

⁶⁵ For example, Ev 127 [Cornwall Council], Ev w211 [Torbay Council], Ev w164 [Eastleigh Borough Council]

⁶⁶ Ev 140, para 10

⁶⁷ Ev w167

⁶⁸ For example, Ev w158 [London Borough of Bromley], Ev w180 [Rochford District Council], Ev w182 [Ashford Borough Council]

⁶⁹ Q 219

⁷⁰ Department for Communities and Local Government, *A Better Deal for Mobile Home Owners*, April 2012, para 2.42

49. We welcome the Government's proposals to provide local authorities with powers to undertake works and recover costs. The cost recovery element is particularly important in keeping licence fees at a minimum. As we have indicated, local authorities must be able to disaggregate the cost of licensing and enforcement. This will ensure that "good" site owners do not have to pay to provide resources that authorities incur to deal with licence breaches on other sites. Any new arrangements must also provide that the cost passed on to home owners is kept to a minimum. **We recommend that the Government give local authorities a power to undertake works to ensure sites are safe and conform to licence conditions. This should reflect the existing Houses in Multiple Occupation licensing regime by providing authorities with a power to issue a notice to a site owner to require that works are undertaken and that, if such works are not undertaken, provide an authority with a power to undertake the works themselves. It should also ensure that authorities are able to recover costs from site owners for any work that is undertaken, including visits (both investigatory and confirmatory), investigative work and improvement works, when a site owner is found to be in breach of licence conditions. We further recommend that the legislation ensure that any of these charges or costs cannot be passed on to park home owners by site owners through pitch fees or by any other charge.**

4 Fit and proper person test

50. A number of organisations, including local authorities, industry bodies and park home owner campaigning groups have called for the worst offenders to be excluded from the park homes sector. They argue that when site operators can be shown repeatedly to act aggressively or with intimidation or when they persistently breach licence conditions or block sales they should be prevented from operating in the sector. Sonia McColl, from the Park Home Owners Justice Campaign, described the worst owners:

I have telephone calls and emails every day with regard to it. I have instances of more passive harassment, if you like, i.e. park owners sitting outside the house in cars with blacked-out windows and the engine being revved up; causing a disturbance; and sending threatening letters of eviction for no real reason whatsoever. The worst cases involve brandishing chainsaws outside the house when residents return; sending in thugs-about which I have given you information today-to throw paint over houses; breaking car windows; putting paint inside; and threatening elderly and disabled people. All of the letters I have received are in files for you. One disabled gentleman who dared to ask to see a utility bill was threatened; he was told he would be taken to the top field and done over. It goes on and on right across the board, so, yes, a lot of it is going on.⁷¹

Maria Battle, from Consumer Focus, described similar incidents and saw similarities between the worst offenders in the park homes sector and perpetrators of child abuse:

My career has been in preventing child abuse, and I can see parallels here. They will target the most vulnerable and they will have favourites. For example, last week they targeted two 85-year-old widows who live separately. They just walked in and said, "You're not going to join the residents' association, are you?" They look through the window; dump stuff outside; and spit in people's faces.⁷²

Purpose of a fit and proper person test

51. As noted in the previous chapter, the existing licensing regime means that local authorities can rarely refuse to grant park home site licenses and it is also very difficult for an authority to revoke a licence. A licensing authority is not able to take into account any information about the individual or business applying for a licence. This effectively means that there are no controls on people managing sites. A 'fit and proper person' test might be used by an authority to determine whether a site owner or manager was able to hold a licence. Epping Forest District Council described the failings of the current system in dealing with persistently bad owners:

[a] system needs to be in place that allows local authorities to consider the cumulative actions of an unscrupulous owner on one individual or more individuals. The existing provisions for revocation of a site licence are contained in Section 9 of

⁷¹ Q 141

⁷² Q 142

the Caravan Sites and Control of Development Act 1960 which appears to require 3 separate, previous convictions for failing to comply with Site Licence Conditions on the same site. These convictions must have been in the same court (S9(2) of the Act) and can only relate to breaches of the site licence so that other previous convictions of harassment cannot be taken into account. There is some confusion as to whether repeat convictions, convictions on other sites owned by the same person and/or any time limited convictions can be taken into account.

A workable process needs to be put in place whereby an owner can have his site licence revoked for misbehaviour. This could be linked with the ‘fit and proper person’ test where failure to meet the ongoing requirements of the test could lead to revocation of the site licence.⁷³

52. The previous Government’s 2009 consultation proposed that under a new site licensing regime a local authority should only grant a license for a park home site to a ‘fit and proper person’.⁷⁴ Under this proposal a licensing authority would be able to take into account such considerations as convictions for violence, fraud, discrimination, offences under the Mobile Homes Act, health and safety breaches and disqualification as a company director, before issuing a site licence. Following this consultation the Government said the introduction of the ‘fit and proper’ requirement had been supported by a majority of consultees, and that it intended to introduce this as a licence requirement.⁷⁵

Options for a fit and proper person scheme

53. When we put the possibility of introducing a ‘fit and proper person’ scheme to a number of local authorities, they described how a scheme might work in practice. Katie Hooper, from Bromsgrove District Council, explained how a ‘fit and proper person’ test was used successfully to manage licence holders for HMOs.⁷⁶ She suggested that similar process could be translated onto the park home sector. Clive Phillips, from Kent County Council, proposed that aspects of the liquor licensing system might also provide a useful model. In particular, the local authority’s ability to attach conditions to a licence in cases where it has been breached.⁷⁷ Sylvia Rook, from the Trading Standards Institute, suggested that licensing arrangements similar to those in the Consumer Credit Act 1974 might be a better model because in determining applications a broad set of criteria could be taken into account:

anybody who issues or deals with credit has to get a licence issued by the Office of Fair Trading. Very stringent checks are taken against them to make sure that they are fit and proper. That involves communication with Trading Standards; it is not just a matter of their criminal background but all their associates as well. The problem is

⁷³ Ev w187

⁷⁴ Department for Communities and Local Government, *Park Home Site licensing—Improving the Management of Residential Park Home Sites: Consultation*, May 2009, para 10

⁷⁵ Department for Communities and Local Government, *Park homes site licensing reform: The way forward and next steps*, March 2010, pp 4, 22

⁷⁶ Q 266

⁷⁷ Q 274

that if you just look at an individual you do not get a good picture, and they will always certify themselves as being a fit and proper person.⁷⁸

54. The National Caravan Council called for a national scheme for registered site owners to improve performance. The park homes sector includes businesses that operate sites in different authorities. Information on these business and the individuals working for them might need to be shared between authorities. Their submission says that a centralised park licensing and registration scheme linked to a 'Fit and Proper Person' test could do this.⁷⁹ They told us that the industry supported such a requirement. The Office of Fair Trading suggested that a more local approach might be better, whereby local authorities were able to ban individuals from operating in a specific sector. They described a negative licensing system (such as with estate agents) which operated as a 'banning' regime, where anyone can enter the market, but enforcement bodies can take action to exclude from the market any traders who breach relevant rules.⁸⁰

Drawbacks to a fit and proper person scheme

55. Martin Fisher from Cornwall Council told us he supported a 'fit and proper person' test but highlighted a number of problems that must be considered:

First of all, the people who we have received complaints about and who you have had representations about already have a licence, so kind of retrospectively imposing a fit and proper person test might be tricky. The fundamental power of rogue owners, unscrupulous owners, lies in the fact that they own the land. [...]

Then you have the issue of defining what is a fit and proper person, or what constitutes a non-fit and proper person.

The next point is that the HMO fit and proper person test depends, first and foremost, on self-certification. [...] all of which diminishes the usefulness even before you get to the point, which I think a licensing colleague made earlier, that there will always be somebody with a clean record who will come forward to hold the licence.⁸¹

56. Another issue to be addressed is what happens if a manager of a site is found not to be fit and proper and as a result a site licence is revoked. The point of a fit and proper person scheme would be to improve the situation for residents, but there is a risk that if a licence is revoked a responsible manager might not be found and conditions on a site could deteriorate. Trading Standards Institute suggested that where licenses were revoked the local authority might take over management of the site.

[W]e think there needs to be some process whereby an individual/business who has engaged in unfair practices can be prevented from continuing to run a site or have any interest in one, perhaps introducing a system where the local authority can take

⁷⁸ Q 271

⁷⁹ Ev 109

⁸⁰ Ev w224

⁸¹ Q 274

over the running of such a site where there are clear matters of consumer detriment.⁸²

Similar arrangements are found under the HMO licensing scheme. A local authority can issue a management order which allows them to take over the management of a HMO if they revoke or are unable to issue a licence to the owner.⁸³ Occupiers are then required to pay rent to the authority, which takes over responsibility for the management of the tenancies and the maintenance and upkeep of the HMO. In extreme cases authorities are also able to compulsorily purchase an HMO.⁸⁴

Our conclusions

57. The Government's current consultation document does not propose to introduce a fit and proper person test.⁸⁵ The Minister, Mr Shapps, told us that he did not consider that a fit and proper person scheme was practicable. He said that other measures in the consultation would achieve the same result by driving the worst offenders out of the sector. He also argued that HMO-type-licensing should not be applied to park home sites because it was designed to "protect people from the kind of health and safety risks that you get in a home in multiple occupation".⁸⁶

58. We understand that there are some concerns about introducing a fit and proper person test, but we see a strong case for a test to ensure that the worst offenders are prevented from operating in this sector and to prevent a criminal element, as encountered by West Mercia Police (see paragraph 16) from entering and expanding in this sector. We disagree with the Minister's assessment and consider that HMO-type-licensing is particularly applicable to the park home sector, where health and safety risks from poor maintenance are a key concern. The high proportion of vulnerable people living in park homes deserve this additional protection. **We conclude that a fit and proper person test could be a useful addition to local authorities' armoury to exclude the worst offenders from owning and managing park home sites.**

59. **It is, however, clear to us that the introduction of such a test would require a significant increase in the regulation of the sector. The Government is confident that the reforms it proposes are sufficient to drive the unscrupulous out of the sector. We do, of course, hope that this would be the outcome from the Government's proposals but we must nevertheless conclude that, if the measures prove insufficient, the sector should not have to wait for further consultation and then an opportunity to legislate. On current projections that could be after 2020. This would not be satisfactory. We therefore recommend that the Government bring forward as part of the proposed legislation an enabling power to establish a fit and proper person test, which could be activated through secondary legislation, if required.**

⁸² Ev 131

⁸³ Department for Communities and Local Government, *Licensing of Houses in Multiple Occupation in England*, 2007, paras 7.1–2

⁸⁴ Department for Communities and Local Government, *Circular 02/03: Compulsory Purchase Orders*, 2003, appendix d, para 12

⁸⁵ Department for Communities and Local Government, *A Better Deal for Mobile Home Owners*, April 2012

⁸⁶ Q 487

60. To ensure that the improvements it expects happen and are effective, we recommend that the Government undertake a comprehensive survey of the sector in three years' time. If the situation has not improved, we recommend that the Government use the power to introduce a fit and proper person scheme through secondary legislation. Under such a scheme it should be a requirement of the site licence to have a fit and proper person as site manager. Failure to meet this term would be grounds to revoke a site licence. We consider that a fit and proper person licensing scheme would work most effectively if it was coordinated at a national level so that information about owners could be shared between authorities. The Government should therefore be able to put in place arrangements for a body to carry out the function and it should be financed by a levy included in all licensing fees. The scheme could operate using similar criteria to those used to determine applications for consumer credit act licences, so that authorities would be able to consider the associations of a licence holder or applicant, in addition to those set out in the Government's 2009 consultation on park homes. The scheme could also include provisions for local authorities to take over the management of sites when licences were revoked and to compulsorily purchase sites, in extreme cases, when returning management of a site to the owner would not be possible.

5 Agreements between home owners and site owners

61. During our inquiry it became clear to us that disagreements over contractual obligations between park home site owners and residents are a common problem. It is alleged that some site owners are not meeting their obligations to maintain sites and that some park home owners are unaware of their rights or have a poor understanding of the agreements they enter into. In this section we examine the legal framework that governs agreements between site owners and home owners. We then set out a number of recommendations for improving this framework and the understanding of the parties in the sector.

Legislative Framework

62. The framework that governs the relationship between residents and site owners is complicated. It is primarily shaped by the Mobile Homes Act 1983. This requires the site owner to provide advance notice of the terms that will apply to the person proposing to occupy a new park home on their site (these terms are known as ‘the written statement’). The 1983 Act was substantially amended, by secondary legislation, in 2006 by the insertion of certain new terms to be implied in all written statements. The Act, as amended, gives residents certain key rights and protections, including:

- security of tenure—agreements cannot be terminated except by a court and then only on specified grounds, such as breach of the terms of their pitch agreement;
- the right to sell or gift their home, and to assign (pass on) the pitch agreement to the new owner;
- the right to succeed to the agreement and stay in the home to persons living with the home owner on their death;
- the right to be consulted on changes to the site (and associated costs), including through a recognised Residents’ Association; and
- limits to pitch fee increases. Generally, pitch fees should be changed by a percentage equivalent to any change in Retail Price Index (RPI). Though in reviewing the pitch fees money spent on improving the site can be considered.⁸⁷

The 1983 Act, as amended, also gives certain rights to, and imposes certain obligations on, site owners which include:

- to keep the site maintained; and
- not to interfere with the resident’s quiet enjoyment of the home.

⁸⁷ The terms presently in force were made by the Mobile Homes Act 1983 (Amendment of Schedule 1) (England) Order 2006 (SI 2006/1755).

Park Home Owners' Problems

63. We heard from a number of residents in Bournemouth, who described situations where site owners were not undertaking the obligations that home owners considered they had under written statement agreements. One told us that:

In the main, the park that I live on is maintained to a fairly low standard. Any problems that we have on the park are difficult to bring to any conclusion because [...] we do not have a published address or telephone number where we can contact the park owner.⁸⁸

Another described a situation where assigning a pitch agreement to new site owners had failed:

the park [site] owner who I bought my home from has since changed. We now have a new park owner. When the park owner changes, the regulations on the site change as well, in most instances.⁸⁹

And told us of serious incidents breaching the park home owner's right to quiet enjoyment of the site:

water pipes ruptured and pushed up through the floor to flood the home so it could not be sold, large bonfires lit to choke residents with breathing difficulties, and one home burned to the ground.⁹⁰

Written submissions from site owners and local authorities across the country detailed similar problems.⁹¹ Residents commonly complained that they did not see site owners re-investing money made from sales and pitch fees back into maintenance of the site. One residents' association sets out a typical case in its submission:

our site owner spends hardly any money on maintenance, repairs or the replacement of infrastructure items and communal grounds by qualified workmen. Off-pitch emergency repairs like blocked drains or water leaks are poorly fixed by itinerant bodgers and billed to residents affected by these problems—who are then bullied or harassed by the park manager until the bill is paid. Pitch fees/Ground rents produce nearly £250,000:00 a year for our site owner, yet less than 10% p.a. is spent on park maintenance or repairs.⁹²

64. The 2012 Consumer Focus survey of park home residents found that 19% of residents surveyed reported having problems with written statements or pitch fees. Of these 16% reported not having a written statement with their site owner. In addition, it found evidence that many residents only received their written statement after they bought their park home (56% of those with a statement received it after the transaction). Another

⁸⁸ Q 3 [Tony Boardman]

⁸⁹ Q 18 [Ken Ayres]

⁹⁰ Q 2 [Ken Ayres]

⁹¹ For example, Ev w38 [name redacted], Ev w39 [John Potter and members of the Park Home Justice Campaign], Ev 128 [Cornwall Council]

⁹² Ev w57 [name redacted], para 4

reported problem was that the written statement had been changed without the resident's consent.⁹³

Defining Site Owners' Obligations

65. Failure to produce agreements was not the only problem. Cornwall Council explained that “ambiguities and uncertainties” in the interpretation of Mobile Home Act meant that it could be difficult for residents to take civil action against site owners and for local authorities to use trading standards legislation to take enforcement action when site owners were not undertaking their obligations to maintain sites. They called for a “major rewrite” to give residents “proper protection of their statutory and contractual rights, and to assist trading standards action” under the Enterprise Act and Consumer Protection from Unfair Trading Regulations.⁹⁴ The Trading Standards Institute agreed, explaining that the 1983 Act did not explicitly cover many of the problems faced by residents. They also advised that the legislation needed to be completely redrafted, giving consumers clear consumer protection.⁹⁵

66. One particular area of concern, as noted above, was the site owner's obligation to maintain a site. Under the Mobile Homes Act 1983 site owners have a duty to maintain sites. They are not able to charge residents an additional amount for any maintenance work as this is already covered in the pitch fee. Site owners are allowed to charge residents for agreed ‘improvement’ works to a site. The difference between improvement and maintenance works and the definition of these types of work can be a matter for contention between site owners and home owners. We heard examples of site owners attempting to charge for work they should have undertaken as part of site maintenance.⁹⁶ Rushcliffe District Council told us that there is a lot of confusion as to what constitutes redevelopment on a site and difficulties in trying to get site owners to undertake maintenance work.⁹⁷

67. The Government's consultation document provides a number of proposals that aim to clarify a site owner's obligations and the rights of home owners under the 1983 Act. This includes a number of issues we have not taken evidence on, including moving a park home, home owner's alterations, succession rights to agreements and consultations on improvement works.⁹⁸ The consultation also aims to clarify the distinction between improvements to a site, which can be charged to residents through pitch fees, and repairs to a site, which cannot, by providing an updated definition of a site owner's maintenance obligations. It sets out that a site owner would be obliged to maintain and keep in repair:

- the base on which the home is stationed;
- utility infrastructure;

⁹³ Ev 91

⁹⁴ Ev 129

⁹⁵ Ev 131

⁹⁶ Ev w97 [Hall Park Residents' Association], Ev w235 [Mrs Pamela Hutchins]

⁹⁷ Ev w82

⁹⁸ Department for Communities and Local Government, *A Better Deal for Mobile Home Owners*, April 2012, paras 2.13–2.28

- parts of the site that are under the control of the site operator, including access ways, street furniture and, buildings in common use, and to keep these tidy;
- any trees, hedges or shrubs on the site.⁹⁹

68. We welcome the Government’s proposals to clarify the obligations on site owners for maintaining their sites. This includes in particular the proposals in the consultation that define the maintenance works which must be undertaken by site owners as a statutory duty and cannot be included in pitch fee increases. We also welcome the Government’s proposals to ensure that improvement works undertaken, to comply with licence conditions or enforcement action from the local authority, cannot be charged through pitch fee increases.

69. The most recent change to agreements between site owners and home owners was made through secondary legislation.¹⁰⁰ **Because the problems associated with agreements between site owners and home owners are so widespread, and as primary legislation may be years off, we recommend that the Government enact changes, to clarify the obligations on site owners to maintain sites, through secondary legislation this session.**

Site Rules

70. As well as the written agreement, many sites have rules that residents must adhere to. These ‘site rules’ or ‘park rules’ can also form part of the agreement between site owner and home owner. They can be used to help ensure the enjoyment of a site (for example, they may set a minimum age for occupants or impose restrictions on pets) or can set out general management duties (for example, on waste collection). The benefits of such rules have been discussed earlier (paragraph 23).

71. It appeared to us that some site owners were willing to break these rules. On our visit to Bournemouth, we saw evidence of increasing numbers of park homes being rented by site owners. In some cases these were being rented to people under 50 years old which contravened park rules. One resident wrote to us about the situation on his park where there was confusion about the definitive rules:

Park owners have introduced new sets of rules to suit themselves which are then provided to new residents [...]. When this happens—as it has done on this park—to whom do you go to object? There are currently three sets of rules operating on this park, and none of the changes have been lawfully approved.¹⁰¹

We also heard that site rules have been used by site owners to block sales. Sonia McColl told us that some site owners make up new rules, for example about the age restrictions on a site, to put prospective buyers off.¹⁰²

⁹⁹ Department for Communities and Local Government, *A Better Deal for Mobile Home Owners*, April 2012, para 2.32

¹⁰⁰ The terms presently in force were made by the Mobile Homes Act 1983 (Amendment of Schedule 1) (England) Order 2006 (SI 2006/1755).

¹⁰¹ Ev w280 [*name redacted*], para 7

¹⁰² Q 134

72. The Government's consultation document recommends that site rules are deposited with licensing authorities. It also proposes that site rules cannot be changed without prior consultation with home owners and that certain rules that are unreasonable, such as those used to block a sale (for example, interview requirements for buyers), should be excluded. **We welcome the Government's proposal that site owners should be required to deposit site rules with a licensing authority as this would ensure that residents on a park have access to an authoritative version of the rules governing their site, which both they and the site owner had to follow. We recommend that only those rules in the deposited set with the local authority will be capable of enforcement against a home owner. We also recommend that abiding by the site rules deposited with the authority become a requirement for every site owner under the site licence conditions. This would provide the local authority with an enforcement power to intervene when a site owner breaks site rules (for example, if they rented out properties to tenants under the age stipulated in the rules), and that this would provide stronger sanctions to deter such actions.**

73. We recognise that over time site rules will need to be updated and amended. We recommend that the legislation allow site owners to change the authoritative version of the site rules providing:

- a) **site owners give park home owners on the site notice in writing at least 28 days before the changes are due to take effect;**
- b) **if at least a third of the park home owners request a meeting, the site owner arrange a meeting which all occupiers are invited to attend to consider the proposals; and**
- c) **at the meeting a majority of park home owners have to endorse the proposed rule changes.**

We further recommend that purported changes to site rules that fail to follow the process required by statute have no force and that any attempt by a site owner to enforce such a rule be treated as a breach of the site licence.

74. In calling for the site owner's right to approve buyers to be abolished, in paragraph 25, we recognised that buyers would be dependent on sellers to provide information about site rules. To provide protection for buyers purchasing a home on a site where their residence might be in contravention of the site rules, we consider that home owners should be obliged to provide information on site rules to prospective buyers. **We recommend that the 'implied terms' are amended so that home owners are required to provide prospective buyers with a copy of the site rules.**

Pitch Fee increases

75. The pitch fee is the amount required to be paid by the park home owner in return for being allowed to keep a park home on the pitch and use common areas of the site. The 'written statement' will impose an obligation on the park home owner to pay a pitch fee to the site owner. Pitch fees can be reviewed once a year and usually can only be increased to take into account inflation—calculated in accordance with the rate of the retail price index (RPI) plus improvement (rather than maintenance) works on a site.

76. A number of groups are campaigning to have pitch fee increase rates limited to the Consumer Price Index (CPI) and also to have them capped at a standard rate across each site. In the memorandum from the Park Homes Justice Campaign, Sonia McColl proposed that the:

increase should be regulated to an increase by CPI if this should be lower than RPI in any twelve month period. My reasoning for this suggestion is that most park home owners are of retirement age and pensions are now linked to CPI. In addition, I think that Site Fees should be capped and a standard Site Fee laid down for all single and double units. Not only would this prevent discord between Residents who are forced to pay differing rates for the same homes—but under the present system, a Site Owner is encouraged to prevent the sale of an existing home because it already has a Site Fee that is part of the contract which is sold with the home. By setting a standard Site Fee for all single and double units, new or currently existing on the park—you effectively remove from the Site Owner, the particular benefit of making added income from a new more expensive contract which at present they can attach to new homes that are sold or older homes that they are able to purchase at a vastly reduced rate if they prevent the sale of a home.¹⁰³

The Minister, Mr Shapps, told us that he preferred to cap pitch fee increases to RPI because income linked to this rule would provide a more sustainable business model and it would fit better with other housing regulation.¹⁰⁴

77. We consider that restricting pitch fee increases to CPI would be fairer. Many residents' income comes from pensions that are now linked to CPI.¹⁰⁵ We also see merit in fees being standardised within sites for park homes of a similar size. However, we consider that the administrative task of achieving this would be an unnecessary burden on site owners, there are likely to be cases where some pitches might legitimately attract higher fees than others and it would also be difficult to envisage that all home owners on a site would be willing to agree to this as by equalising fees some would have to increase. **We recommend that the maximum annual increase in pitch fee increases be calculated in accordance with the rate of increase in the Consumer Price Index, to create a fairer link between home owner incomes and pitch fees.**

Publicity and awareness of obligations

78. As we have noted, the legal framework setting out the statutory duties and rights of park home site owners and home owners is complicated, as can be the written agreements between these two parties. Despite this complexity Paul Tarr, from Berkley Parks, thought that less than 1% of buyers of park homes took legal advice when acquiring a park home and entering the contractual terms between themselves and site owners.¹⁰⁶ We heard a similar message from residents' campaign groups and other site owners.¹⁰⁷

¹⁰³ Ev 97

¹⁰⁴ Q 510

¹⁰⁵ From April 2011 pension increases have been linked to CPI.

¹⁰⁶ Q 84

¹⁰⁷ Qq 146–51 [Brian Doick, Alan Savory], 194 [Malcolm Kent, Alicia Dunne]

79. We also received a submission from residents describing a case where site owners had discouraged buyers from seeking legal assistance with buying homes.¹⁰⁸ One park home owner pointed out that, although legal assistance could be difficult to find, it was essential:

It is crazy that people are spending up to £300,000.00 for a park home and the sales office informs them that they do not need the services of a solicitor. Fortunately we did use our solicitor who was handling the sale of our house, he admitted that he knew nothing about park home law but found out enough to know that we had not been given the 2006 version of the Written Statement, and that we needed to have amended the “Implied” and “Express” terms in the Statement to show that we had negotiated a lower selling commission fee, as our Statement still showed 10%.¹⁰⁹

We were told that so few potential buyers took legal advice because they were looking to reduce as many costs as possible when buying a park home and because few solicitors were qualified to give advice.¹¹⁰

80. The National Association of Park Home Residents said in its submission that it was:

aware there are many Residents on Mobile Home Parks who do not hold an Agreement / Written Statement and have no idea they should have been issued with one when purchasing a Park Home, it is possible that this has occurred because the Park Owner has no knowledge of the Legislation.¹¹¹

The Trading Standards Institute added that, because many residents were not aware of their contractual rights, trading standards were not requested to investigate and pursue breaches of these agreements.¹¹²

81. This report sets out a number of measures to tackle the problems at park home sites, some of which are also proposed in the Government’s consultation document. These proposals will provide local authorities with more resources to deal with park home issues; they increase the deterrent against offences and they make the rights and obligations for site owners and residents more clear. However, to be fully effective, they rely on residents, site owners and local authorities being aware of the changes and knowing their rights and obligations. As the evidence set out in this chapter indicates this is far from the case at present. **We recommend that the Government promote an awareness campaign to make residents, local authorities, site owners and other parties aware of the regulatory regime and changes to be made to it. This campaign must encompass the park home trade bodies, estate agents, local authorities, the Local Government Association, police authorities and the legal profession. Park home residents as a group appear particularly unaware of the regulatory regime and are more than usually susceptible to mis-selling or being taken advantage of by unscrupulous owners.**

¹⁰⁸ Ev w264 [name redacted]

¹⁰⁹ Ev w61 [name redacted]

¹¹⁰ Qq 207 [Malcolm Kent], 154 [Alan Savory]

¹¹¹ Ev w34

¹¹² Ev 131

82. In addition, we recommend that the Government amend the 'implied terms' in the park home owner's agreement to provide that before selling his or her park home the seller must advise a prospective buyer in writing to seek qualified legal assistance to help with transferring and explaining an assignment of the park home. In addition, all purchasers must confirm in writing to the seller and the site owner that they have received and read the written statement and site rules.

6 Conclusions

83. Malpractice is widespread across the park home sector and ranges from site owners poorly maintaining sites and charging their residents unfairly to much more serious cases of harassment and intimidation against residents. Sale blocking is a serious problem that needs addressing urgently and we have concluded that this could only be properly addressed by removing the site owner's right to approve buyers of park homes, which will require primary legislation. In the meantime, the Government must use secondary legislation to increase the powers available to the Residential Property Tribunal to deter site owners from blocking sales. Though we received some representations calling for the site owner's commission on sales to be reduced we concluded that for the industry to remain viable this must be retained.

84. The park home licensing regime is over 50 years old and is ineffective. It does not provide local authorities with a means of resourcing their licensing operations or monitoring park homes sites in the 21st century. Nor does it provide authorities with adequate powers to take action when licences are breached or provide an effective deterrent to site owners not to breach licence conditions. The recommendations we have made would involve a thorough reworking of the existing system. They would also ensure that the greater part of the cost to operate the new system falls on the worst site owners rather than home owners and good site owners. We see a strong case for a 'fit and proper person' requirement and we recommend that the Government takes powers to introduce one if the other reforms that are made prove ineffective.

85. The legal framework that covers agreements between park home site owners and residents is flawed. It neither effectively sets out the obligations of site owners nor does it provide residents with clear legal redress when site owners ignore their obligations. We have recommended that the Government pursue its intention to legislate to clarify the obligations of site owners towards their residents, but rather than wait to legislate through primary legislation, it should as far as possible do this through secondary legislation this session. In addition, the Government must ensure that residents, site owners and others involved in the park home sector are made more aware of the rights and obligations of residents.

86. Park home sites are particularly suited to people that are older and more vulnerable than the population as a whole, yet the current legislative framework is weak and offers unscrupulous operators an easy route to exploit them. **Legislation is urgently needed and while some useful improvements can be achieved through secondary legislation this session—and we set these out in our report—primary legislation is urgently required to overhaul the park home sector, especially to stop sales blocking and to put licensing on a firm footing. We therefore recommend that a comprehensive package consisting of the measures we have set out is brought forward by the Government. We further recommend that a bill reforming the park home sector be given a slot as soon as possible in the Government's legislative timetable and that priority is given to assist the department in drafting this legislation.**

Conclusions and recommendations

Scale of the problem of sale blocking

1. We are clear that sale blocking is a serious problem in the park homes sector and that it needs to be prevented. (Paragraph 17)

Prevention of sale blocking

2. While we welcome any change that reduces sale blocking, we are not convinced that the transfer of jurisdiction of complaints under the 1983 Mobile Homes Act to the Residential Property Tribunal (RPT) will make a significant impact on the problem. (Paragraph 20)
3. We conclude that, removing a site owner's right to approve prospective buyers provides the only effective way to eliminate sale blocking. The existing approval process is unnecessary and it is rarely used legitimately. Given current experience there is a significant risk that any mechanism to provide site owners with the power to approve, or review, a sale through the RPT would be exploited to block sales, either by slowing the sale process down or by threatening its use. We recommend that the Government remove the site owner's power to approve buyers of park homes on his or her site. (Paragraph 24)

Immediate measures for the Residential Property Tribunal

4. Sale blocking is an ongoing problem that blights the sector. Immediate action is required to deter site owners from exploiting residents and blocking sales. We recommend that Government bring forward a statutory instrument this session to enable the Residential Property Tribunal to award compensation and damages in cases where sales have illegitimately been blocked. If the Government is unable to do this, in responding to our report, it must set out why it feels unable to do so. (Paragraph 28)
5. We conclude that the right of site owners to receive up to 10% commission from the sale of park homes on their sites should remain in place. Without this revenue pitch fees would have to rise. Furthermore, the commission provides site owners with an incentive to allow home owners to sell their homes on the open market. Without it, and in the absence of legislation to abolish the site owner's approval of buyers, incidents of sale blocking may increase. (Paragraph 31)

Fines

6. We welcome the Government's proposal to increase the fines for breaching site licence conditions. To ensure that fines are an effective deterrent and can be proportionate in even the most extreme cases, we recommend that there be no upper limit on the fines that can be imposed. To ensure that these increases are an effective deterrent and are applied consistently the Government must ensure that the Sentencing Council's guidance for Magistrates is updated to reflect these changes

and guide magistrates to impose fines in proportion to the scale of the offence that has been committed. (Paragraph 38)

Licence Fees

7. It is clear that local authorities do not have the resources to monitor park homes effectively. The existing regime should be changed to provide local authorities with a funding source to resource adequately their park home licensing activities. (Paragraph 41)
8. We conclude that the Government should allow local authorities to charge for their costs of issuing licences for park home sites. The legislation to enable them to charge should make a clear link between fees received and resourcing activity to license and monitor park home sites, to encourage more monitoring action across all authorities and encourage consistent performance. The legislation should also ensure that each licence is reviewed annually, so that the existing licence is updated, and it should introduce a fee for this so that authorities are resourced to carry out this function. We consider that site owners should be able to pass licence fees on to home owners but that this could only be done fairly if:
 - licence fees are linked to the number of pitches on a site. If they are not, residents on smaller sites would risk facing disproportionate pitch fee increases.
 - licence fees are not used to resource local authorities' enforcement action but only to cover the cost of administration, review and monitoring. Authorities should be able to resource their enforcement operations through a cost recovery model instead. (Paragraph 44)

Enforcement action and recovery of costs

9. We recommend that the Government give local authorities a power to undertake works to ensure sites are safe and conform to licence conditions. This should reflect the existing Houses in Multiple Occupation licensing regime by providing authorities with a power to issue a notice to a site owner to require that works are undertaken and that, if such works are not undertaken, provide an authority with a power to undertake the works themselves. It should also ensure that authorities are able to recover costs from site owners for any work that is undertaken, including visits (both investigatory and confirmatory), investigative work and improvement works, when a site owner is found to be in breach of licence conditions. We further recommend that the legislation ensure that any of these charges or costs cannot be passed on to park home owners by site owners through pitch fees or by any other charge. (Paragraph 49)

A fit and proper person scheme

10. We conclude that a fit and proper person test could be a useful addition to local authorities' armoury to exclude the worst offenders from owning and managing park home sites. (Paragraph 58)

11. It is, however, clear to us that the introduction of such a test would require a significant increase in the regulation of the sector. The Government is confident that the reforms it proposes are sufficient to drive the unscrupulous out of the sector. We do, of course, hope that this would be the outcome from the Government's proposals but we must nevertheless conclude that, if the measures prove insufficient, the sector should not have to wait for further consultation and then an opportunity to legislate. On current projections that could be after 2020. This would not be satisfactory. We therefore recommend that the Government bring forward as part of the proposed legislation an enabling power to establish a fit and proper person test, which could be activated through secondary legislation, if required. (Paragraph 59)
12. To ensure that the improvements it expects happen and are effective, we recommend that the Government undertake a comprehensive survey of the sector in three years' time. If the situation has not improved, we recommend that the Government use the power to introduce a fit and proper person scheme through secondary legislation. Under such a scheme it should be a requirement of the site licence to have a fit and proper person as site manager. Failure to meet this term would be grounds to revoke a site licence. We consider that a fit and proper person licensing scheme would work most effectively if it was coordinated at a national level so that information about owners could be shared between authorities. The Government should therefore be able to put in place arrangements for a body to carry out the function and it should be financed by a levy included in all licensing fees. The scheme could operate using similar criteria to those used to determine applications for consumer credit act licences, so that authorities would be able to consider the associations of a licence holder or applicant, in addition to those set out in the Government's 2009 consultation on park homes. The scheme could also include provisions for local authorities to take over the management of sites when licences were revoked and to compulsorily purchase sites, in extreme cases, when returning management of a site to the owner would not be possible. (Paragraph 60)

Defining Site Owners' Obligations

13. We welcome the Government's proposals to clarify the obligations on site owners for maintaining their sites. This includes in particular the proposals in the consultation that define the maintenance works which must be undertaken by site owners as a statutory duty and cannot be included in pitch fee increases. We also welcome the Government's proposals to ensure that improvement works undertaken, to comply with licence conditions or enforcement action from the local authority, cannot be charged through pitch fee increases. (Paragraph 68)
14. Because the problems associated with agreements between site owners and home owners are so widespread, and as primary legislation may be years off, we recommend that the Government enact changes, to clarify the obligations on site owners to maintain sites, through secondary legislation this session. (Paragraph 69)
15. We welcome the Government's proposal that site owners should be required to deposit site rules with a licensing authority as this would ensure that residents on a park have access to an authoritative version of the rules governing their site, which both they and the site owner had to follow. We recommend that only those rules in

the deposited set with the local authority will be capable of enforcement against a home owner. We also recommend that abiding by the site rules deposited with the authority become a requirement for every site owner under the site licence conditions. This would provide the local authority with an enforcement power to intervene when a site owner breaks site rules (for example, if they rented out properties to tenants under the age stipulated in the rules), and that this would provide stronger sanctions to deter such actions. (Paragraph 72)

16. We recommend that the legislation allow site owners to change the authoritative version of the site rules providing:
- a) site owners give park home owners on the site notice in writing at least 28 days before the changes are due to take effect;
 - b) if at least a third of the park home owners request a meeting, the site owner arrange a meeting which all occupiers are invited to attend to consider the proposals; and
 - c) at the meeting a majority of park home owners have to endorse the proposed rule changes.

We further recommend that purported changes to site rules that fail to follow the process required by statute have no force and that any attempt by a site owner to enforce such a rule be treated as a breach of the site licence. (Paragraph 73)

17. We recommend that the ‘implied terms’ are amended so that home owners are required to provide prospective buyers with a copy of the site rules. (Paragraph 74)

Pitch Fee increases

18. We recommend that the maximum annual increase in pitch fee increases be calculated in accordance with the rate of increase in the Consumer Price Index, to create a fairer link between home owner incomes and pitch fees. (Paragraph 77)

Publicity and awareness of obligations

19. We recommend that the Government promote an awareness campaign to make residents, local authorities, site owners and other parties aware of the regulatory regime and changes to be made to it. This campaign must encompass the park home trade bodies, estate agents, local authorities, the Local Government Association, police authorities and the legal profession. Park home residents as a group appear particularly unaware of the regulatory regime and are more than usually susceptible to mis-selling or being taken advantage of by unscrupulous owners. (Paragraph 81)
20. In addition, we recommend that the Government amend the ‘implied terms’ in the park home owner’s agreement to provide that before selling his or her park home the seller must advise a prospective buyer to seek qualified legal assistance to help with transferring and explaining an assignment of the park home. In addition, all purchasers must confirm in writing to the seller and the site owner that they have received and read the written statement and site rules. (Paragraph 82)

Conclusions

21. Legislation is urgently needed and while some useful improvements can be achieved through secondary legislation this session—and we set these out in our report—primary legislation is urgently required to overhaul the park home sector, especially to stop sales blocking and to put licensing on a firm footing. We therefore recommend that a comprehensive package consisting of the measures we have set out is brought forward by the Government. We further recommend that a bill reforming the park home sector be given a slot as soon as possible in the Government’s legislative timetable and that priority is given to assist the department in drafting this legislation. (Paragraph 86)

Formal Minutes

Monday 11 June 2012

Members present:

Mr Clive Betts, in the Chair

Heidi Alexander
Bob Blackman
Simon Danczuk
Bill Esterson
Stephen Gilbert

David Heyes
George Hollingbery
James Morris
Mark Pawsey
Heather Wheeler

Draft Report (*Park Homes*), proposed by the Chair, brought up and read.

Ordered, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 86 read and agreed to.

Summary agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report (in addition to that ordered to be reported for publishing on 16 January, 20 and 27 February, 19 March, 16 and 23 April and 16 May).

Written evidence was ordered to be reported to the House for placing in the Library and Parliamentary Archives.

[Adjourned till Monday 18 June at 4.00 p.m.]

Witnesses

Monday 5 March 2012

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Richard Grigg, Owner, Stour Park, **David Curson**, Director, Berkleyparks and **Paul Tarr**, Director, Berkeleyparks Ev 8

Councillor Roger West, Elected Member and **Councillor Lawrence Williams**, Elected Member, Bournemouth Council Ev 15

Monday 12 March 2012

Maria Battle, Senior Director, Consumer Focus Wales, **Brian Doick**, President, National Association of Park Home Residents, **Sonia McColl**, Founder, Park Home Owners Justice Campaign and **Alan Savory MBE**, Government Liaison Representative, Independent Park Home Advisory Service Ev 20

Katy Buswell, Director, Buswell Parks, **Alicia Dunne**, Deputy Director General, National Caravan Council, **Ros Pritchard OBE**, Director General, British Holiday & Home Parks Association and **Malcolm Kent**, Managing Director, Keat Farm Park Homes Ev 29

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Mark Colquhoun, Detective Inspector, West Mercia Police, **Lyn Collins**, Regulatory Services, Consumer Protection and Investigations Team Leader, Cheshire West and Chester Council and **Katie Hooper**, Private Sector Housing Team Leader, Bromsgrove District Council Ev 37

Martin Fisher, Trading Standards Officer, Cornwall County Council, **Clive Phillips**, Trading Standards Officer, Kent County Council and **Sylvia Rook**, Policy Officer and Joint Lead Officer for Fair Trading, Trading Standards Institute Ev 42

Alfie Best, Chairman, Wyldecrest, **David Sunderland**, Estates Manager, Wyldecrest, **Jeffrey Small senior**, Owner, JBS Park Homes, **Jeffrey Small junior**, Owner, JBS Park Homes and **Gary Self**, General Manager, JBS Park Homes Ev 47

Monday 16 April 2012

Rt Hon Grant Shapps MP, Minister for Housing and Local Government, Department for Communities and Local Government Ev 62

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| British Holiday & Home Parks Association | Ev 113 |
| Bromsgrove District Council | Ev 124 |
| Cheshire West and Chester Council | Ev 121 |
| Detective Inspector Mark Colquhoun, West Mercia Police | Ev 119 |
| Consumer Focus | Ev 82, Ev 86 |
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| Department for Communities and Local Government | Ev 140, Ev 143 |
| Independent Park Home Advisory Service | Ev 101, Ev 103 |
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| National Association for Park Home Residents | Ev 96 |
| Park Home Owners Justice Campaign | Ev 97 |
| National Caravan Council | Ev 105 |
| Trading Standards Institute | Ev 130 |
| Councillor Roger West | Ev 74, Ev 77 |
| Wyldecrest | Ev 131, Ev 132, Ev 133, Ev 138 |

List of additional written evidence

(published in Volume III on the Committee's website www.parliament.uk/clgcom)
 ([***] indicates the name of the person(s) submitting had been redacted).

| | |
|-----------------------------------|----------------|
| PH 01 [***] | Ev w1 |
| PH 02 Stephen Enever | Ev w2 |
| PH 03 [***] Residents Association | Ev w3, Ev w6 |
| PH 04 [***] | Ev w8 |
| PH 05 R J Ward | Ev w9 |
| PH 06 Colin Leaney | Ev w9 |
| PH 07 [***] | Ev w9 |
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| PH 10 Alan G Rees | Ev w11 |
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List of unprinted evidence

The following written evidence has been reported to the House, but to save printing costs has not been printed and copies have been placed in the House of Commons Library, where they may be inspected by Members. Other copies are in the Parliamentary Archives (www.parliament.uk/archives), and are available to the public for inspection. Requests for inspection should be addressed to The Parliamentary Archives, Houses of Parliament, London SW1A 0PW (tel. 020 7219 3074; email archives@parliament.uk). Opening hours are from 9.30 am to 5.00 pm on Mondays to Fridays.

Supplementary evidence from the Park Home Owners Justice Campaign

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| Ninth Report | Taking forward Community Budgets | HC 1750 |
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