Written evidence submitted by the British Holiday & Home Parks Association (RUT0106)

Summary

1. BH&HPA members perceive that support from government to promote, support and sustain rural tourism is limited or non-existent. There is no Rural Tourism Policy to guide public sector decisions to promote rural tourism jobs and livelihoods.

2. There needs to be a central policy, championed by DEFRA, to align the public sector influences from decisions on business support and transport to those on marketing and planning.

3. Further, there is an essential central coordination role which is not met by current arrangements.

Introduction

4. The British Holiday & Home Parks Association (BH&HPA) is the national trade body representing developers and managers of holiday, caravan, residential and chalet parks in the UK. We invite the Select Committee to organise an Evidence Hearing on a holiday park to see the quality and customer wellbeing we achieve and would be happy to facilitate this.

5. 1,844 BH&HPA members operate 2,935 parks, providing some 80% of the licensed holiday caravan and self-catering ‘on-site’ pitches in the UK. We estimate there are 3,500 holiday parks in the UK.

6. The industry includes well-known brands such as Parkdean Resorts and Haven, but the majority of businesses in the sector are micros and SMEs, usually independently managed as a family concern.

7. The overwhelming majority of holiday parks are located within rural and coastal areas where they support local economies through direct jobs and parks’ and holidaymakers’ indirect
spending on local goods and services. See appendix which plots parks against deprivation data underlining the industry’s fundamental importance to the rural and coastal economy.

8. Holiday parks provide a broad range of tourist accommodation, including:
   - pitches for tents, motorhomes and touring caravans
   - caravan holiday homes and lodges (the majority of which are privately owned)
   - glamping accommodation, from pods to safari tents, tipis to yurts.

9. In 2014, holiday parks generated £2.14bn tourism spending, 16.4% of Britain’s holiday tourism economy, providing 30% of all holiday bed nights (55.55m bednights)\(^1\).

10. Research shows that some 50% of the British population take a holiday in some form on a park in their lifetime. The typical pattern of park holidays is as a child, returning as a parent and again as a grandparent; 43% of respondents in 2013 had a caravan or camping experience in the past three years\(^2\). One in ten Britons regularly use a touring or mobile caravan as part of a domestic holiday\(^3\).

11. 50% of the population is a fabulous market. However, it means that 50% are not our market and we can suffer from prejudice amongst this group, borne of outdated misconceptions particular if such prejudices influences public sector decision-making.

12. Our contribution is more than economic. 9,000+ David Bellamy Conservation Awards have been presented since BH&HPA President David Bellamy launched his scheme in 1996. His scheme is managed with Wildlife Trusts and recognises parks’:
   - biodiversity and conservation management
   - work to reduce carbon footprint
   - ‘good neighbourliness’ – a measure of a social responsibility to the local community.

13. The Honey Bee Friendly Park Project was launched in 2015 with the British Beekeepers Association leading to 724 Honey Bee Pledges to date to provide forage through planting schemes.
**Access and infrastructure**

14. **Public transport**: Public transport has a significant impact on rural tourism. The sporadic nature of rural bus services and reductions in service provision generally mean customers without their own transport are unable to access parks (particularly on a Sunday). Likewise without a car, staff cannot get to work. The needs of rural tourism workers and customers need to be given priority in transport decisions; more frequent and reliable services are needed to provide better access to the coast and countryside.

15. **Roads in disrepair**: Members report that priority should be given to repairing pot holes and improving roads to improve access.

16. **Broadband**: Customers demand connectivity (the same level as at home) without which they take their business elsewhere. Infrastructure limitations mean that parks are often unable to meet this essential consumer demand. The provision of broadband has become a key deciding factor in the selection of holiday destinations. Fast and reliable broadband is an absolute necessity to meet the needs of tourism sector. Its current absence is a significant risk.

17. **Mobile**: What is true for broadband (16) applies equally to mobile phone signal.

**Funding and fiscal policies**

**Access to corporation tax rates for unincorporated businesses**

18. The rate of corporation tax is currently 20% and will drop to 19% in 2017 and 17% in 2020. If this is to apply to rural tourism, the lower tax rates must be accessible. However, many members have unincorporated businesses in the form of partnerships or sole traders, as incorporation is simply too expensive given the additional administration of statutory accounts and an extra tax return. This means the burden of tax rates of at least 20%, and commonly 40% and 45% on business profits, even when retained in the business.
19. Taxing micro businesses at the same rates as individuals does not produce the correct outcome, particularly when those businesses compete against larger incorporated businesses which benefit from the decreasing corporation tax rate.

20. One solution would be to reduce taxable profits by reinvesting back into the business. However, this only works for investment in the same year in which the profits are made, and prevents carrying forward cash from one year to the next, e.g. to fund a new project in a later tax year, without suffering income tax. This is also only effective for qualifying capital investment, so investment in land for example does not provide relief in the year of purchase, despite the fact that land is a significant investment for any rural tourism business.

21. Another solution is increasing access to lower rates, e.g. an allowance which means that business income from a sole trader or partnership business is only subject to 20% income tax, or different banding for self-employment income (so that the 20% rate is applicable for income up to £70,000 per year for example).

Cash back for capital expenditure

22. The Annual Investment Allowance (AIA, currently £200,000) provides 100% relief on a certain level of capital expenditure in the year of spend. This relief is particularly valuable to smaller businesses as it can cover all of their capital expenditure in any given year.

23. However, the relief is only valuable in that it reduces cash tax. Many rural tourism businesses continue to be loss-making for tax purposes, or have very small trading profits, and therefore cannot benefit from the AIA. Many disclaim capital allowances altogether, preferring to save them for years when they have higher taxable profits. This is a disincentive for small rural businesses to invest and expand.

24. In recent years, there has been increasing recognition that these kinds of allowances are useless for loss-making small businesses. This has led to Research and Development credit relief, which allows small businesses unable to benefit from the R&D super-deduction to
surrender some of their losses for cash back. A similar relief is available for expenditure on items that qualify for enhanced capital allowances (typically energy-saving equipment).

25. However, the scope of the enhanced capital allowances rules is limited, and is unlikely to be a significant percentage of any small business’s capital spend in any given year. Widening this scheme so that cash back is also available for losses generated by the AIA would level the playing field for small businesses with lower levels of capital spend.

Planning

Local environment and character

26. To summarise, to allow rural tourism to reach its potential local planning authorities should be required to:

- plan positively, including for replacement of older style holiday accommodation, development of new and extended holiday parks
- provide evidence of alleged harm to the landscape in support of any refusal
- refrain from imposing additional restrictions on the management and letting of accommodation.

In addition, Permitted Development Rights should be extended and Government should ensure rural tourism is included within the National Planning Policy Guidance (NPPG).

Renewal of older style holiday accommodation

27. The Isle of Sheppey has many holiday parks in need of upgrading. Swale Borough Council’s adopted and proposed Local Plans carry negative planning policies that prevent the expansion of the area and/or number of units on holiday parks. Consequently, continued underinvestment in the parks results in them becoming less popular with holidaymakers who can choose better parks around the country.

28. A downward spiral is created. Why would park businesses replace outdated 1960s chalets with larger modern caravans when this results in half as much accommodation (and therefore half
as many customers) as the council will not allow expansion onto adjoining land to recover numbers? What business plan would persuade a bank to finance this re-layout of a park?

29. Several holiday parks on the Island face severe coastal erosion. Whilst the council’s planning policies allow for ‘roll-back’ in response to erosion, how can the roll-back of a holiday park, including the central facilities, be financed if the council’s policies will not allow for additional units to compensate for the reduction caused?

Planning positively for development

30. Naturally the visual impact of development on the special qualities of protected landscapes such as National Parks/AONBs is an important material consideration, including the direct impact and further pressure from visitors on their important environmental qualities.

31. However, under the current policies of the Yorkshire Dales National Park, there is no scope for proposals to be considered on their own merits. If a small-scale caravan site of e.g. 15-20 pitches could be accommodated within the landscape and be completely screened from view, it nevertheless remains contrary to policy and is refused. In many cases there may be an opportunity to introduce further screening, but the wording of the current policy implies that this in itself may be insufficient.

32. The policy only allows small-scale extension of existing static caravan sites or increase in pitches if they are part of a comprehensive remodelling scheme. This prevents a small site extension, or increase the permitted caravan numbers, through infill within the existing boundary, even though it would cause no visual harm. This policy approach particularly disadvantages sites that are already well-screened and is perverse in that additional pitches which would have no visual impact whatsoever would be refused simply on the principle of the wording of this policy.

33. The ethos seems to be that the authority does not wish to see static caravan development despite the economic benefits; it does not consider each case on its own merits, nor support appropriate development in suitable locations.
34. Some amendment is proposed in Yorkshire Dales National Park’s new Local Plan with modest extensions to be supported where the site is already well screened. Other councils (e.g. Scarborough Borough Council) had similarly restrictive policies but now also propose more flexibility. This should be encouraged across all local planning authorities, and policies maintaining the restrictive approach should be dismissed as unsound at Local Plan examination stage.

35. With the announcement of the proposed South Downs National Park, an entrepreneur saw an opportunity to build a number of holiday parks along the route of the South Downs Way to provide accommodation and supplies for long distance walkers and cyclists, or people seeking active holidays. Many National Parks in America have cabin-style accommodation in wooded or secluded locations that do not harm the character of the Park.

36. The proposal was for 60 wooden holiday lodges, 37 camping pitches and a ‘Ramblers Rest’ café/provisions lodge, all within extensive woodland planting. This was to be sited in a single field sandwiched between the old A27 and the new bypass. Although not previously within the AONB, the land was proposed as part of the new National Park boundary and so the status of the landscape was escalated. It could not be seen from outside the site or from the ‘Downs’ themselves. Yet the application was refused and a subsequent appeal dismissed.

37. Had policy allowed such development to be considered on its merits, acknowledging that the site was well screened, the proposal could have been supported as sustainable tourism appropriately located to promote informal recreation within the National Park. The entrepreneur was unable to progress the idea as he could not finance additional applications at other sites. If it remains difficult to obtain overnight accommodation within English National Parks, they will remain the preserve of local residents and day visitors.

Refrain from additional restrictions

38. It has long been established that standard holiday occupancy conditions preventing use of the accommodation as a person’s sole or main residence and requiring the maintenance of a
register of main home addresses is the appropriate way to control occupancy. Additional restrictions are unnecessary and unduly burdensome. Local planning authorities should therefore be discouraged from imposing additional controls, and policies proposing this should be dismissed as unsound at Local Plan examination stage.

39. Some local planning authorities seek to limit the length of holiday season. For example, East Lindsey District Council is consulting on a Local Plan policy to limit future consents for caravan sites within flood risk areas to a shorter season (15 March to end October), despite business requests to extend the season so parks can benefit from the rural tourism opportunities at Christmas and New Year. If the proposed policy is applied to existing parks, it will create a disincentive for investment and development, again creating a downward spiral.

40. Limiting the holiday season prevents the development of high-quality holiday accommodation that policy purports to support. Who would buy an expensive holiday lodge caravan when the council stipulates when it can be used? What operator (or caravan purchaser) would invest in more expensive holiday lodge caravans with no rental return for two months of the year?

41. Numerous local planning authorities seek to control holiday occupancy by limiting it to short stay only, e.g. imposing a maximum stay of 28 days per calendar year (Yorkshire Dales National Park Authority), or requiring letting for a minimum of 140 days each year, and no let to exceed 31 days (Ryedale District Council). This does not fit the business model of holiday parks as it prevents caravans from being sold as private holiday homes where owners can come and go as they please.

Permitted Development Rights

42. Many members are prevented from modernising their parks through the planning system by negative planning policies, negative interpretation of policies, over-regulation and local politics. There are a number of fairly routine developments that park operators undertake which rarely face objection, yet delays in the planning system mean it can take an unnecessary length of time for applications to be approved.
43. We consider the following types of development could be carried out as permitted development, or at least through a prior notification procedure whereby local planning authorities have 28 days to identify any reason why full planning permission should be required.

a) **External alterations and modest extension of central facilities buildings** within limits and parameters, i.e. single storey, no more than 25% increase in gross floor space. Many parks are seeking to update their central facilities in line with changing trends. Minor works such as the insertion of additional doors/windows, conservatory extensions, enclosure of pools, etc. have no impact beyond the holiday park itself and could be dealt with much more simply.

b) **Provision of play areas** within limits and parameters, i.e. up to five pieces of equipment no more than 3m high per park. It is reasonable to assume that holiday parks will provide play equipment. Whilst larger scale facilities with outdoor lighting may require more rigorous assessment, standard play equipment is rarely contentious so allowing this as permitted development would save operators and local planning authorities’ time in administration. A prior notification system would allow for issues such as impact on trees to be identified and assessed beforehand.

c) **Replacement of chalets with up to the same number of caravans** within the same application area as originally permitted for chalets. There is currently much activity (where permitted) and desire (where not) to replace outdated, inadequate and undesirable holiday chalets built between the 1960s and 1980s with up-to-date larger modern static holiday caravans. There is further activity to replace static caravans, extend sites or provide new sites with higher quality holiday ‘lodge’ caravans.

As full planning permission is needed to change from built accommodation to use of land for siting caravans, all manner of supporting documents and subsequent delays with planning applications make a simple replacement of one form of holiday accommodation for another, unnecessarily complicated and time consuming.
Government guidance on planning for tourism

44. Tourism is not given enough consideration and weight in the planning system as policies are unduly restrictive.

45. Formerly, the Good Practice Guide on Planning for Tourism helped in bringing forward applications to develop, improve and expand holiday parks in rural areas. However, this guidance was removed with the introduction of National Planning Practice Guidance, within which the only reference to tourism is ‘hidden’ under ‘Ensuring the vitality of town centres’ and does not refer to planning for tourism or holiday parks in rural areas.

46. The NPPG does refer to more useful guidance with regard to planning for tourism and holiday parks in rural areas on the VisitEngland website. However, it is very difficult to find. We recommend this concise guidance is incorporated into the NPPG and properly used by planning decision makers.

We sincerely hope that BH&HPA’s evidence will be taken into account. Please contact us if we can provide additional information. We would reiterate our invitation to the Select Committee to organise an Evidence Hearing on a holiday park and our willingness to facilitate this.

1. The GB Tourist Statistics (GBTS) 2014
2. Camping and Caravanning 2013’ report, Mintel, January 2013
3. Zolfo Cooper Leisure Wallet, carried out by Opinium Research - October 2013

September 2016
Park located within deprived areas

- 0% - 10%
- 10% - 20%
- 20% - 30%
- 30% - 40%
- 40% - 50%
- 50% - 60%
- 60% - 70%
- 70% - 80%
- 80% - 90%
- 90% - 100%

Most deprived 10%

Least deprived 10%


BH&HPA member parks with pitches for static holiday caravans plotted against areas of multiple deprivation

June, 2014
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BH&HPA member parks with pitches for touring caravans, motorhomes or tents plotted against areas of multiple deprivation.