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Minister for Economy, Science and Transport  
HCS(108)  
National Assembly for Wales  
Communities, Equality and Local Government Committee  
Holiday Caravan Sites (Wales) Bill  
Response from: Minister for Economy, Science and Transport  
Eich cyf/Your ref  
Ein cyf/Our ref



Llywodraeth Cymru  
Welsh Government

Christine Chapman AM  
Chair of the Communities, Equality and Local  
Government Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff CF99 1NA

28 May 2014

Dear Christine

**EVIDENCE TO COMMUNITIES, EQUALITY AND LOCAL GOVERNMENT  
COMMITTEE - HOLIDAY CARAVAN SITES (WALES) BILL**

Thank you for your letter dated 1 April inviting me to provide a contribution to your Committee's scrutiny of Darren Millar AM's Holiday Caravan Sites (Wales) Bill. I am grateful for the opportunity to comment.

I attach a paper outlining my concerns about the Bill to help the Committee's deliberations. I do not support this Bill as it stands as I believe it has the potential to create a competitive disadvantage within a strategically important economic sector in the tourism economy. In preparing my response, I have taken the view of the industry bodies, and have also had discussions with the Minister for Housing and Regeneration, who share my views.

A handwritten signature in black ink, appearing to read 'Edwina Hart', written over a faint, illegible printed name.

## 1.0 Introduction

This paper outlines the position of the Minister for Economy, Transport and Science with regards to the impact of the draft Holiday Caravan Sites (Wales), a Private Members Bill, introduced by Mr Darren Millar AM.

## 2.0 Economic Impact of the sector

The caravan sector is recognised by key stakeholders in the Welsh tourism industry as a very important part of the Welsh visitor economy, because of its size. In 2011 the British Holiday Home & Park Association (BH&HPA) and Visit Wales commissioned an economic impact study with the objectives of:

- Providing an independent, evidence based understanding of the direct and indirect economic impact / contribution of the holiday park sector in Wales

The total turnover and visitor expenditure as a result of the Wales holiday park industry is estimated at £727 million per annum. Its total economic impact to Wales has been calculated as a Gross Value Added (GVA) contribution of £317 million per annum supporting a total of 10,645 direct and indirect jobs in Wales

The total number of holiday park units / pitches in Wales was estimated at 71,700 of which 64% are owned static units (ie caravans, lodges, chalets etc), 8% are rented static units and 27% are touring pitches (for caravans, tents, trailer tents and motor homes).

## 3.0 Industry Feedback

The Minister's Tourism Advisory Board have commented that they welcomed the changes made to the Bill, especially the fact that it is now a "stand alone Bill" and does not need to refer to the earlier UK Act to be understood.

However, the Tourism Advisory Board still view the Bill to be a "sledgehammer to crack a nut"! They outlined that the Bill fails to adequately define the extent of the problem in Wales, especially on Holiday Caravan Sites, where every indication shows the problem (of using holiday static caravans for permanent residency) is very small. Likewise, the problems experienced between Site Owners and Tenants are also tiny, given the scale of the industry in Wales.

The British Holiday & Home Parks Association (BH&HPA) is the representative body of the parks industry in the UK. 1,877 BH&HPA members own and manage 2,922 parks accommodating 385,056 pitches across the UK, including 423 parks with 53,912 pitches in Wales. BH&HPA has engaged with Mr Millar AM in the development of his Bill and whilst they believe the requirements now proposed are more pragmatic than the earlier version upon which they were consulted, considerable grave concerns remain.

For example, the industry recognises the need to modernise site licensing for holiday parks under the Caravan Sites and Control of Development Act 1960 in order to give local authorities resources through appropriate charges for their licensing duties. However rather than modernising the system, the Bill proposes radical reform.

BH&HPA view is that such sweeping change creates risk for the industry and its contribution to the Welsh economy. Given the magnitude of the changes proposed, they should not be enacted in the absence of an evidence base for the problems the Bill seeks to address, nor without proper evaluation of their costs and impact.

The Wales Caravan and Camping Forum recognise that the existing legislation is due a refresh however there was concern over:

- The legislation being applied to the touring sector where there isn't currently a problem with residential use

- The legislation will place a significant bureaucratic burden on caravan site operators, particularly smaller sites
- The legislation will make Wales less competitive than other parts of the UK
- Penalties will be applied equally to a very large holiday park owner, and a small 10-pitch touring site operator
- The legislation is so lengthy and detailed, it is likely to have unforeseen consequences that will impact negatively on the sector

#### **4.0 Conclusion**

Taking into account the negative views from the tourism sector to this Bill and the potential to create a competitive disadvantage within a strategically important economic sector in the tourism economy the Minister for Economy, Science and Transport does not support the Bill.

The Minister agrees with the industry view regarding the need to undertake further research to provide an effective evidence base on which to modernise site licensing for holiday parks under the Caravan Sites and Control of Development Act 1960.