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Dear Ms Howard,

Response from the British Holiday & Home Parks Association to the Barker Review Team's call for evidence on the impact of the planning system on economic growth.

The British Holiday & Home Parks Association (BH&HPA) is the national trade body representing developers and operators of holiday, caravan, lodge and chalet parks, and residential mobile home parks in the UK.

This letter is the Association's response to the Barker Review Team's Call for Evidence on the impact of the planning system on economic growth and employment.

1. The British Holiday & Home Parks Association

- 1.1 The BH&HPA membership owns and manages some 80% of the total licensed holiday caravan and self-catering "on-site" pitches in the United Kingdom. These include caravan holiday-homes and lodges for rent or sale, chalets, touring and tent pitches. BH&HPA estimates there to be some 3,500 holiday parks in the UK, geographically dispersed to the coastal and rural areas that are attractive to holiday makers. The industry includes well-known brands such as Butlins, Parkdean, Haven and Bourne but the majority of the 3,500 businesses in the sector are SMEs or micro-enterprises, usually independently owned and managed as a family concern. Holiday parks account for a tourist spend of some £3.23 billion each year and accommodate some 22% of all holiday bed nights in the U.K. (72.9M bed nights)¹.
- 1.2 The Association's membership also owns or manages some 60% of residential home park pitches in the UK. According to the Office of the Deputy Prime Minister (ODPM)'s recent calculations² there may be as many as 250,000 residents living on over 2,000 residential home parks across the United Kingdom.

¹ UKTS 2003

² "Revising the Model Standards for Park Homes", Office of the Deputy Prime Minister, December 2005

2. Call for evidence

In your call for evidence, you have invited respondents to make representations in response to a list of questions provided as Annex 1 to the Call for Evidence. We therefore provide our response to each of these questions as follows:

- 2.1 **1. Is the planning system sufficiently flexible and/or responsive to the right signals to deliver development?**
- 2.1.1 The Association believes that the planning system has become increasingly inflexible due to an over-reliance on the plan-led system. Local plans and development documents by their very nature will always be out of date. Even with the best efforts of local planning authorities (LPAs) they will always take a period of at least three years to generate policies and site allocations such that newly adopted plans may be based on information and research that is at least three years old. Even in an ideal scenario, therefore, park operators (and other business investors) are at best faced by policies based upon research that may be three years old, whereas they are trying to respond to the market *now*.
- 2.1.2 If local plan policies and allocations were based upon a full assessment and forecast of tourist accommodation needs assessment for the local area, the plan-led system might provide more certainty to holiday park developers and the flexibility to expand them in locations where there was an assessed need. However, although Planning Policy Guidance Note 17 (PPG17) specifically requires LPAs to conduct an open-space assessment to inform policy and Planning Policy Statement 6 (PPS6) specifically requires Local Planning Authorities to undertake a retail assessment, the old PPG21 did not require such detailed assessments with respect to tourist accommodation needs.
- 2.1.3 PPG21 is due to be deleted and will not be replaced as the government believes that adequate guidance is contained within PPS6 and PPS7. However, PPS6 deals with town centre uses and is not appropriate to guide the location and development of holiday parks. PPS7 does not specifically require a tourism needs assessments in planning for rural areas, and even if it did, it would be difficult to carry out such an assessment without considering the same needs for urban areas. Therefore the tourist accommodation industry appears to fall between two stools and the policies relating to it tend to be based upon an inadequate evidence base.
- 2.1.4 As a result our holiday park members are normally faced with local development document policies which are generally restrictive in nature, based upon a simple assumption that because there are already a large number of caravan parks in a particular area there should be a policy to restrict any further growth. Or, in areas where there is little holiday caravan park development they are presented with restrictive countryside policies and no policies at all to encourage or guide the provision of tourist accommodation. As PPS1 requires LPAs and Inspectors to follow such local development document policies, in an inflexible plan-led approach, the Association's members find it very difficult to expand their sites, and to improve and adapt them to changing market demands.
- 2.1.5 Given that local planning policies should be based on a full assessment of tourism, or housing, accommodation need there may be a range of potential solutions to meet any identified shortfall. Local authorities should be encouraged to take the widest possible view about how housing or tourism accommodation need might best be fulfilled to deliver the optimum social, environmental and economic benefit to the local community. In this context local authorities should be required to give full consideration to development possibilities emanating from small business operators who could make smaller, individual contributions to satisfying demand; the alternative might be for local authorities to be drawn towards larger scale projects available from major developers which may, on the face of it appear attractive, but which may not deliver such a comprehensive range of local benefits.

- 2.1.6 Although we understand that the government is about to publish new guidance on planning for tourism, this will be in a form of a Good Practice Guide, and the Association is concerned that this will have less weight with planning authorities and planning inspectors than a revised Planning Policy Statement. The Association's preferred solution would be if PPG21 were to be replaced by a new PPS21 which required LPAs to undertake a full Tourist Accommodation Needs Assessment in order to determine future tourist accommodation policies and site allocations.
- 2.1.7 Although you have already reviewed the planning system and its effect on housing, it is worth mentioning here that the planning system is even more restrictive when it comes to residential mobile home development. There is huge demand for this high quality form of affordable low cost market housing, especially from elderly and early retired people on low incomes or pensions who are able to sell their 'bricks and mortar' home, buy a high quality, less expensive mobile home and enjoy an enhanced pension. Home park operators are unable to compete for sites allocated for housing within urban areas with mainstream house builders. However, planning policy prevents housing development, including park homes, outside of settlement boundaries.
- 2.1.8 Again, the parks industry is caught between two stools and unable to provide homes to satisfy a strong market demand (which incidentally would free up existing bricks & mortar homes). Thus the inflexibility of the current planning system in relation to park homes represents a major constraint upon the residential mobile homes development and construction industry. This situation is about to be made worse if the government goes ahead with publishing the draft PPS3 which omits all reference to mobile homes and states that low-cost market housing (such as mobile homes) will no longer be considered within the definition of affordable homes. This will remove the one possible loop-hole for the development of mobile homes as high quality, rural affordable exceptions housing.
- 2.1.9 The Association's suggested solution would be for mobile/park homes to be considered as a special category of housing whose quantitative need should be identified in local housing needs assessments, with sites allocated specifically for park homes through the expansion of existing parks, or provision of new parks, in sustainable locations outside settlement boundaries.

2. Views on the scope of plans at the different spatial levels in England emerging from the introduction of the new planning system.

- 2.2.1 With regard the to new planning system and the introduction of regional spatial strategies (RSS) to replace structure plans, the Association has been dismayed by the lack of reference to tourism and tourist accommodation needs within many of the RSSs. It would appear that few, if any, members of the Association have ever been involved in consultations upon the development of these Strategies.
- 2.2.2 At the local level, there is scant evidence of the local authorities' actively seeking to engage with local business interests and local authorities' own economic development officers' expertise (where it exists) is rarely sought.
- 2.2.3 It would appear that very few tourist businesses have been involved in the development of the RSS's and that with the restructuring of the Regional Tourist Boards very few of these have been very effectively involved in the development of RSS's in their area. As a result, there would appear to be very little guidance to Local Planning Authorities on the regional importance and priorities for development of the tourism economy within their areas.
- 2.2.4 By way of example, the Association notes that the Examination in Public (EIP) of the East of England RSS did not consider any tourism issues and similarly that the EIP for the North East of England will not be considering any tourism issues. It would therefore appear that tourism is just not considered important enough at the regional level in relation to other economic, social and environmental issues.

2.2.5 With regard to housing issues, we have yet to see an RSS which includes any mention of the role that residential mobile homes could make to addressing regional affordable housing issues and any policy requiring the separate identification of mobile home need and local plan policy to separately address that need.

2.3 **3. Does the current system achieve the right balance between economic and other sustainable development goals?**

2.3.1 The Association believes that the planning system is currently heavily weighted in favour of the preservation of the natural environment, with social issues being a major but secondary consideration, and economic issues being a tertiary consideration. This is especially the case when dealing with smaller businesses such as holiday and home parks.

2.3.2 Whereas, a proposal for a huge container port which may be of national and regional benefit is able to overcome the loss of a site of national or international nature conservation interest, the minor extension of a holiday or home park into the countryside, in area which has not been designated as being of any particular landscape or nature conservation importance, is nonetheless likely to be refused as the need to retain a small piece of countryside will normally be considered to outweigh the economic benefits arising from additional tourism to a particular area or the provision of high quality affordable low cost market homes.

2.3.3 Development boundaries are often tightly drawn around the built areas only on holiday and residential mobile home parks; in these cases, parks' recreation land lies outside the development boundary which frequently acts as a barrier to development without necessarily achieving any benefit in terms of environmental sustainability.

2.3.3 Planning officers are slow to consider the environmental benefits that can be afforded by parks and the extremely positive contribution that they can offer in supporting and enhancing the sustainability of local communities and the current system does nothing to ensure that an appropriate, proportionate, balance is achieved. Meanwhile, important opportunities for economic development can be lost.

2.4 **5. What is the impact of planning on encouraging or impeding business investment?**

2.4.1 The Association would argue that the current planning system does very little to encourage business investment within the holiday and home parks industry, rather, that it does much to stand in the way of investment.

2.4.2 Planning policy is often used, for example, to prevent holiday park owners from replacing old style holiday chalets with new style holiday caravans. It is also used to prevent park operators from extending their season of operation to address increasing demand for short break leisure stays in winter. The planning system is used to stop holiday park operators from extending successful and popular sites onto adjoining agricultural fields that no longer serve a useful purpose for agriculture, in order to meet rising demand for static holiday caravans.

- 2.4.3 The planning system is used to prevent new innovative operators from entering the market and, in particular, from developing the new style of holiday lodges that have become extremely popular with purchasers in inland locations in attractive rural areas, Areas of Outstanding Natural Beauty and in, or on the fringes of, National Parks. Their nature of construction means that such holiday lodges can be easily assimilated within woodland and/or valley environments and yet planning policy is normally used to prevent such development within the open countryside or special landscapes even though it would be of major economic benefit and provide alternative employment in areas with declining agricultural economies that are increasingly reliant on tourism.
- 2.4.4 Park operators' experience of the present system suggests that while some simple plans may proceed fairly smoothly through the planning process, more complicated applications that require adjustment or amendment as the application proceeds are frequently frustrated by apparently insurmountable bureaucracy. This is a fatal flaw that unquestionably impedes business investment.
- 2.4.5 In summary, the planning system in terms of both policy and delivery at best discourages, and at worst prevents, any investment, especially by small business, in new or expanded holiday and home parks.

2.5. 6. Is the planning system sufficiently “joined-up” with other related aspects of government policy? In particular, are Regional Economic Strategies delivering a clear economic framework to help inform Regional Spatial Strategies? Is there sufficient interaction between RDAs and RSSs when preparing their respective regional strategies and if not how might greater interaction be encouraged?

- 2.5.1 At the local level, there is clear dissonance between the work of, say, tourism development officers (where they exist) and local planning officers within local authorities. There is insufficient cooperation between local government departments although there have been initiatives from, inter alia, the Local Government Association to improve the situation. Local business people, and indeed the whole community can suffer the consequences of the apparent inability of departments within local government to work together.
- 2.5.2 At the regional level, BH&HPA has embarked on an initiative to contribute to the work of the Regional Assemblies in producing Regional Spatial Strategies. The Association is seeking to ensure that tourism, in particular rural tourism, and housing, in the form of park homes, are adequately recognised in regional land-use planning policies. As this exercise progresses it is clear that all Regional Assemblies are not taking full account of the Economic Development Strategies that are being offered by Regional Development Agencies.
- 2.5.3 Therefore, drawing on our direct experience, we must respond in the negative and record our concern that economic development issues are, in some cases, given inadequate consideration by Regional Assemblies.

2.6 7. Speed of decision making.

- 2.6.1 Most planning authorities now determine planning applications within a reasonable time period if it is within their control. If they do not determine a planning application within the 8 to 13 weeks required, it is normally because they require further more detailed information from the applicant. However, it is the level of detail that is now required to determine any planning application that leads to such delays. Because the LPAs do not have the thorough evidence base required to determine applications for new or extended holiday caravan or residential mobile home parks, they normally require further information directly from, and at further cost to, the applicant.

2.6.2 Since the period for the submission of an appeal returned from 3 to 6 months, the turn around for appeals seems to have recovered to an acceptable level. A period of 6 months between the refusal of an application and the submission of an appeal is a useful time period in which to investigate whether improvements maybe made to the application which would result in a more favourable decision and to submit such amendments for determination. A period of 3 to 6 months from a submission of the appeal before the presentation of evidence at a hearing or planning inquiry is necessary so that the two parties can work to reduce the number of outstanding issues, agree common ground, and prepare evidence.

2.6.3 Often delays are due to neither the council, nor the applicant, as the council awaits comments from third parties. The Environment Agency can be particularly slow in making comments upon Flood Risk Assessments.

2.6 8. Is there evidence to suggest that the direct costs of making a planning applications are deterring investment?

2.7.1 The Association's members have certainly witnessed an increase in the cost in making a planning application. In the past a simple application could be made for a change of use using LPA forms, a site plan, and a short covering letter. Now, the complexity of the new planning system, councils requests for detailed plans, and the need to provide evidence of need, traffic impact, environmental impact and flood risk assessments means that the Association's members have to commission additions plans and various independent studies in support of fairly simple planning applications. This means that an application that might have cost a member in the region of £1,000 could rise to figures in excess of £10, 000, and more if the client has to appeal against the LPAs decision, and pursue the matter to Planning Inquiry.

2.7.2 Clearly, this has an effect on deterring investment, especially as many independent park operators cannot afford the extra costs of assembling this evidence or pursuing the matter at appeal.

2.8 9. To what extent are high occupation costs in England likely to be due to planning constraints?

2.8.1 Constraint on the supply of pitches on parks for the stationing of holiday caravans, holiday lodges and park homes has worked to increase their market prices in areas of high unsatisfied demand.

2.9 10. How does the planning system impact on competition through influencing barriers to entry and exit and economies of scale?

2.9.1 Due to the costs and complexity of the current planning system, it is really only large businesses that can afford to pursue planning applications to appeal and planning inquiry. Therefore, in this way the planning system favours the large multi-site tourism businesses, and housing developers, over the small independent park operator.

2.9.2 It should be noted here that 95% of tourism businesses are SMEs or micro-enterprises. This means that a planning system that favours larger operators inevitably acts as a barrier to the development of existing, small tourism businesses and the creation of new ones.

2.10 12. Do Planning Authorities have the skills and resources required to help promote sustainable economic development?

- 2.10.1 It is the Association's experience that the priority to process planning applications means that local authority resources have been diverted away from tourism and economic development spending, especially within smaller rural local authorities. Many of these authorities have little, or no, tourism or economic development budget and very few now have a tourism or economic development officer within the Council fighting for the cause of tourism development.
- 2.10.2 In contrast, local planning officers have plenty of other internal officers who will advise them on countryside, nature conservation, design, and environmental protection issues. Council housing officers have little concern with mobile homes; their priorities are to get increased numbers of Registered Social Landlords (RSLs) to remove people from their housing waiting lists.

2.11 3. Are the new arrangements for stakeholder engagement in the plan-making process succeeding in engaging those representing economic interests, including SME's?

- 2.11.1 In the Association's experience, very few of its members have been actively engaged by LPAs in the making of their new local development documents. Most of them are small independent operators, and even where they belong to a larger multi-site operation they are rarely consulted on the development of new local development plans (as they will only have one or two sites within the LPA area). This is probably because they do not show up as employing a large number of people by comparison to mainstream manufacturing and office-based businesses. The importance of holiday parks to the local economy is insufficiently understood. In its Draft Good Practice Guide to Planning for Tourism (December 2005) the Office of the Deputy Prime Minister noted the significant contribution of tourism to the nation in terms of GDP, employment, as a catalyst for growth and as a provider of facilities, a supporter of services in local communities and more.
- 2.11.2 By way of example, one tourism business recently asked his local authority why he had not been consulted on the Statement of Community Involvement. The Council responded that they had consulted with over 500 local businesses but that his business had not been included in the list. This was despite being one of the District's major tourism businesses. The business is now included within the list, but the experience shows that tourism businesses tend to be overlooked as LPAs try to consult with major employers and then representative organisations of smaller businesses, which may not always include holiday or home park operators.

2.12 14. Are there ways that the incentive structure for decision makers and local communities can be approved so that a balance is achieved between local interests and the interests of the wider community?

- 2.12.1 A key way to improve the incentive for local authority decision makers to provide a better balance between economic development and other sustainable development issues, would be to return local business rates to the local community. In this way, there would be an immediate pecuniary benefit to the local community in assisting the local economic development of their area through the growth of local business rate paying businesses.
- 2.12.2 The local community, through its elected representatives, would then be free to spend this tax receipt upon social services and improvements to the environment.
- 2.12.3 However, this is not to say that there should be a return to the local setting of business rates; the principle of a nationally set, uniform business rate must be maintained.

2.13 15. Are there ways in which planning could strengthen the economic performance in regions, sub regions, and at local level?

- 2.13.1 Government policy in the PPSs already makes it fairly clear that economic development and regeneration is an important part of planning the regions and local areas alongside social and environmental considerations. However, this economic balance rarely finds its way into local development documents where the priority tends to become the safeguarding of the local environment, especially, and perhaps not surprisingly, in rural areas.
- 2.13.2 At a regional level economic priorities tend to be balanced with those of social need and environmental protection. However, this tends to be at the macro level of mainstream business investment rather than through any consideration for the need of tourism investment (although the current and emerging South East Plan provides an example of good practice in dealing with tourism at the regional level).
- 2.13.3 At a local level, planners and council members need to be reminded that prosperity generally brings environmental improvement. Economic development (including tourism development) creates direct jobs in tourism businesses and indirect jobs for local people from tourism spending. This improves the social circumstances of local people and their ability to buy housing and to re-spend their wages in local shops and on services. The spending leads to thriving local shops and services which help to maintain the vitality and environmental appearance of local service centres. It needs to be remembered that tourists will not be attracted to areas with vacant shops, rundown properties, and no pubs or restaurants, no matter how nice the surrounding landscape.

Thank you for reading our representations regarding the impact of the planning system on economic growth from the perspective of the holiday parks industry. We hope that these comments will be useful in framing your advice to government.

Yours sincerely



Joan Clark
Deputy Director General