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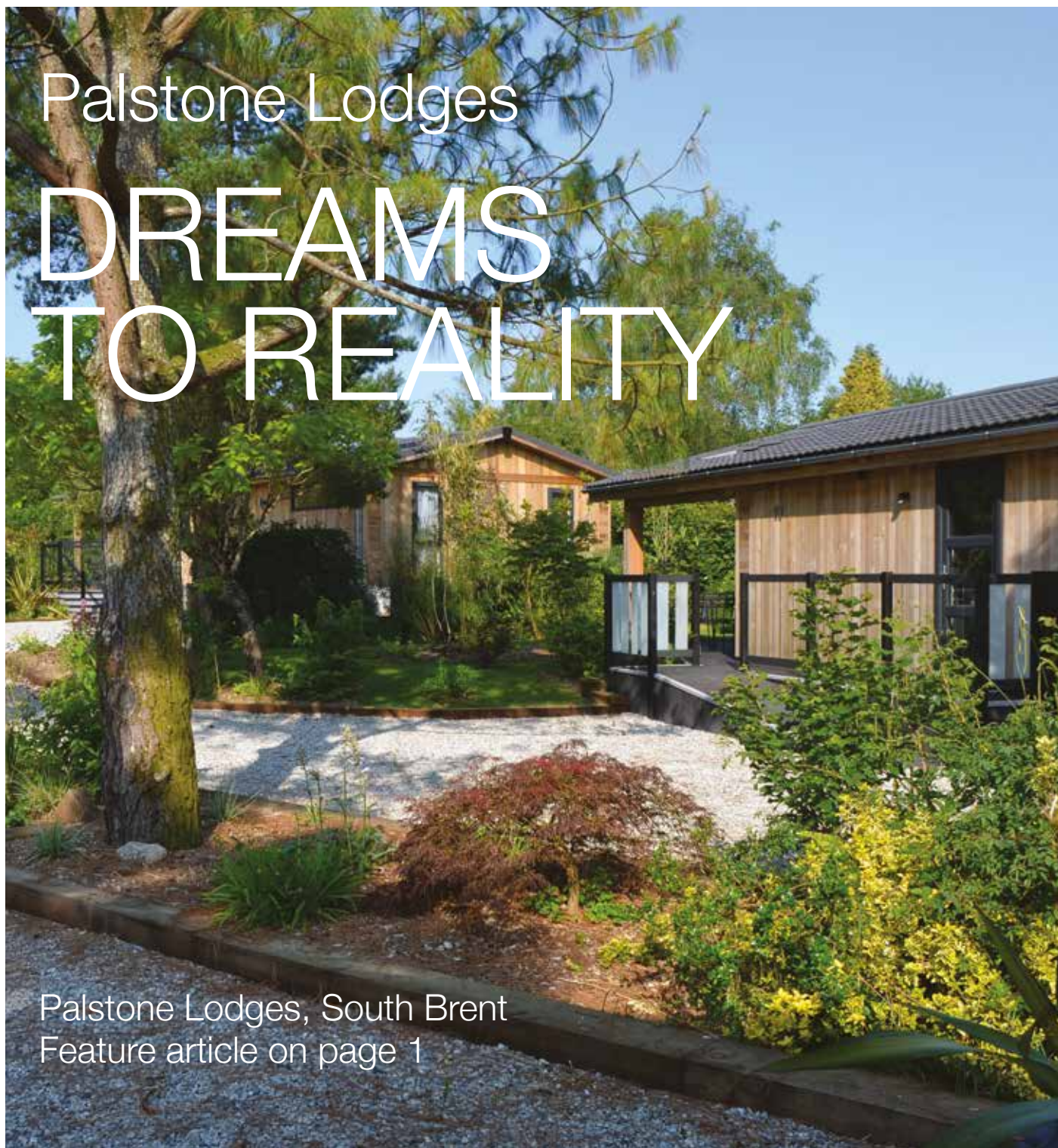
Autumn/Winter
2017

Parks Newsletter

Palstone Lodges

DREAMS TO REALITY

Palstone Lodges, South Brent
Feature article on page 1





Matt and Sally Morgan
of Palstone Lodges

Dreams really do come true

“Initially we were just farmers with 150 acres and a mixed arable dairy farm.”



Sometimes the best things come to those who wait. That is certainly the case for Matt and Sally Morgan of Palstone Lodges. Matt's vision for the site was formed 30 years ago. The care and attention that went into developing the landscaping for the site then, is paying dividends now; with mature trees and beautiful planting providing a stunning backdrop for the lodges.

So what is the origin of this stunning holiday lodge site in South Brent, on the fringe of Dartmoor? “My family were farmers and we moved to Devon from Worcestershire. Initially we were just farmers, with 150 acres and a mixed arable and dairy farm. After my Dad died in the late 70s, Mum diversified, creating a caravan and camping site. She started it when I was fourteen and when I left school a few years later I joined her in the business,” explains Matt.

A lot of their trade came from people stopping off before travelling on to Cornwall, so when the Okehampton by-pass was created in 1990, making the journey West much faster and easier, they lost a lot of trade.

“We knew then we had to change our business to survive, so started thinking about introducing holiday lodges. We worked with a company that produced architect designed lodges and our first phase of thirteen lodges were reserved within just one month. That was the start of our transition from being a touring site to exclusive use lodges – a journey that has taken thirty years,” adds Matt.

“We saw immediately that we could tap into a market of people who wanted to buy a holiday home, but perhaps had moral or ethical concerns with buying a house in a village, which they could not live in all year round. We have all seen these ‘ghost towns’ in the South West, that are almost empty in the winter when the owners of the holiday homes are not there. By investing in a lodge, our customers get the comfort of a holiday home, but without the concern that they may be having a negative impact on the local community. In fact many of our lodge owners are very loyal to South Brent, supporting the small retailers in the village and bringing them very welcome trade.”

This sense of community and social conscience extends to sustainability and the environment, which are central to Matthew and Sally's approach at Palstone Lodges. This commitment has resulted in Palstone Lodges receiving the David Bellamy Conservation Gold Award for ten years in a row.

Matt is a member of Plant Heritage, the world's largest plant conservation charity and Palstone Lodges has been developed gradually over the last three decades, with many rare and unusual plants.

“I caught the bug for loving plants and gardens from my mum. When we first had our idea for developing lodges, I could see how I wanted it to look once the planting was established. I know where the best views are and how the planting looks at each time of the year. That means that each lodge is located in exactly the right place to ensure privacy and the best views of the surrounding landscaping.”

The attention to detail in the landscaping of the site is echoed in the development of the lodges and interiors too, with Matt's wife Sally lending her expert eye for design.



Sally is a very successful business woman in her own right, and invested the proceeds of the sale of her food manufacturing business in Palstone Lodges, which means that the development has the freedom of being self-funded.

In 2010 Matt and Sally obtained planning permission to develop a further 38 lodges at the site, in a new phase called The Meadow. Due to the dip in the market they held off developing the site for five years.

Recognising that he needed expert legal advice about the planning process, Matt was recommended to get in touch with Kirstie Apps, a partner and expert in holiday park law at Stephens Scown.

Matt explains: *"I assumed that we could simply renew our 2010 planning permission, but Kirstie told us we had to reapply. Her advice was so important and helped us to find a way forward to develop more lodges. She really understands the holiday parks sector, and understood our business immediately."*

I found it really reassuring that she advises a number of other parks, and in fact, her connections in the sector has helped us in other ways, as she has been able to put us in touch with other park owners who may be experiencing similar issues to us. We have also had support from the employment and corporate teams at Stephens Scown, and are due to meet with an expert on succession planning soon."

Kirstie adds: *"The best part of my job is meeting my clients on site, being shown around their park and asking questions about their business. Matt and Sally's enthusiasm for the park, plants and trees which they have specifically chosen to emphasise the park's features is infectious and makes me even more driven to help them to become an even bigger success story. I always find I have a big smile on my face after coming away."*

Although it has been a long time in the making, for Matt and Sally Morgan, Palstone Lodges really is a dream come true.

Matt is a member of Plant Heritage, the world's largest plant conservation charity and Palstone Lodges has been developed gradually over the last three decades, with many rare and unusual plants.

Visit www.palstonelodges.co.uk

THE BEAULIEU SHOW

22-24 September 2017



*Philip Richards and
Jonathan Dunn*



A day out of the office...

Prestige & Homeseeker new model, The Hampton



John Romans



Featuring around 150 types of static caravans the industry has to offer, including lodges and park homes, this year's offering was one of the best I have been to. Whether it was because the layout of the homes felt more like a park experience or the models on display, fitted with all mod cons and with layouts to suit any family on holiday, there was no denying the high standard of accommodation being produced by UK manufacturers. With this sort of accommodation on offer in some of the most spectacular locations, there is no wonder the holiday parks sector is doing so well.

Wandering around the show is a good opportunity for me to take a closer look at the sort of accommodation for sale on my clients' parks and to see who are helping the manufacturers and distributors sell their products. On my way in, I saw Roger Stansfield from Victory Leisure Homes, who I always seem to bump into at shows! Roger always has time to talk and is a keen supporter of the Westcountry branches of the BH&HPA, where I first met him at a Cornwall branch meeting.

I had a chat with Debbie from the Retreat Caravan Park in Somerset, there with Victory Leisure Homes, who kindly photographed me outside their new lodge launched this year. I missed Michael Davies from Surf Bay Leisure by a whisker, but caught up with Jonathan Dunn from Ownland Homes and John Romans of John Romans Park Homes, both of whom took the time to pose for a photograph and a chat.

After having a couple of years out from the industry, I saw a familiar face in Phil Richards and caught up with Jim Gandon from Annesley Gandon.

I had a guided tour from Andrew of Prestige & Homeseeker Park & Leisure Homes of their new model, The Hampton. Andrew's genuine enthusiasm and pride is shared by all of the team from Prestige, which is the same for all salespersons and park owners or representatives of parks, who take the time to show case what's new on the market and the existing models.

September is a really busy time for the industry. New and existing models are promoted. Everyone who is part of the show and the ones to come, work really hard, from those on the shop floor, to those at the coal face, all of whom help to make people's dreams of owning a second home, or a new home on a residential park, a reality.



If you wish to contact me, please do, by calling 01392 210700 or email parks@stephens-scown.co.uk



The great commission debate: could changes force some parks out of business?

A review of the commission charge on privately sold park homes, which could have significant implications for park owners.

Is it fair that when a park home changes hands, the owner of the site it stands on receives a commission on the sale? And if this commission were abolished, what impact would that have on the parks industry?

These, in essence, are the central questions being considered by the Welsh Government, which has been consulting on whether the Park Homes Commission Rate should continue unchanged, or be reduced or abolished. Currently, the commission park owners can charge when a home on their site is sold is capped at 10 per cent of the purchase price.

It's a matter which has divided opinion for many years. On the one hand, park home owners argue the commission is unfair and outdated, believing their pitch fees are enough compensation to site owners for the use of their land.

On the other, park owners believe that when a home is sold, the price it fetches reflects, in part, their investment in the quality of the site.

Some park owners fear the viability of their businesses would be affected if the commission were scrapped. There are also concerns about the knock-on impact this might have on residents, even though they would, on the face of it, stand to benefit from such a change.

As the Welsh Government notes, it is "*a difficult topic and views remain polarised*". While any changes arising from this consultation would only affect businesses in Wales, park owners in the rest of the UK will be keeping a close eye on the outcome.

The principle of commission

For as long as people have used park homes as a permanent residence, there has been a commission on their resale. In the 1960s, parks were under no legal obligation to allow park homes to be sold on their pitch, but some agreed to do so in return for a commission, typically of around 20 per cent.

The Mobile Homes Act 1975 introduced a statutory right to commission – initially capped at 15 per cent – to compensate park owners for requiring them to grant security of tenure to residents, who were given a statutory right to sell their home on the park. The commission cap was lowered to 10 per cent by the Mobile Homes Act 1983 and has remained at this level ever since.

The general justification for the commission charge is that a park home would be worth less without the pitch on which it is placed. Some also argue it is part of the price for the security of tenure.

Why is the Welsh Government consulting on this?

The Welsh Government has declared its long-term aim of maintaining a “vibrant, sustainable park homes sector”. It recognises that park homes are an “important housing resource”, with about 10,000 people in Wales living in park homes as their main place of permanent residence.

As the consultation document notes: *“Park homes can be an attractive, suitable and economically viable housing option for some people, as they can provide an alternative tenure to traditional ‘bricks and mortar’ housing. It is essential that people choosing this housing option enjoy the benefits of adequate protection and good management of the sites on which they live.”*

It adds that continued uncertainty and debate on the thorny issue of commission, is undermining good relationships between park home owners and site managers, as well as making longer term business planning more difficult for park owners. Carl Sargeant, Cabinet Secretary for Communities and Children, therefore launched the consultation in order to “ensure that a fair and balanced decision is made on this matter”.

Previous studies and consultations by the UK and Welsh Governments, in 2002 and 2006, concluded there was no justification for changing the commission rate at that time.

Key issues

While the commission on the sale of a park home is paid by the new occupier, in practice, it impacts on the seller because the amount they receive for their property is reduced accordingly. There is concern that some residents could be left feeling trapped and unable to move on, particularly older people who might need to move into sheltered accommodation or a care home.

One issue the consultation asked for evidence on, is the importance of commission as a revenue stream for park owners. The Welsh Government acknowledges that it has yet to fully understand the economics of the industry, partly due to a lack of detailed financial information provided by park owners during a previous review.

In reality, commission income for parks will fluctuate, from year to year, in line with the wider property market. It also varies considerably between sites. While some parks see more frequent home sales, for others – especially those with a minimum age requirement for residents – sales may be few and far between. The impact of removing this income stream is a key issue for policymakers to consider. It could prove a mixed blessing for residents if park owners are forced to cut spending on maintenance or even sell up.

Our view

In her response to the Welsh Government’s consultation, our specialist parks lawyer, Kirstie Apps, has warned that abolishing commission could affect the viability of some parks.

Based on the feedback she has received, Kirstie suggested the commission should be retained. If it were to be abolished, consideration would need to be given to how the income could be replaced. This could lead to upward pressure on pitch fees or reductions in other things. In some cases, family run parks could be sold to larger operators, changing their character and feel.

Kirstie pointed out that commission income is used by parks to cover outgoings including renewal of infrastructure, insurance, wages, equipment and machinery, advertising, admin, professional fees and loan repayments.

“Any change needs to be thought through carefully so that the offering park homes make to the overall housing market is not damaged through under investment,” she said “It is in the interests of both the park owner and residents for parks to continue to be well managed and run, and continue to raise their standards.”

Kirstie, who has acted for residential and holiday park operators for around 15 years, added: *“The industry, as with all industries, is facing uncertain times, especially given the impact of Brexit, which is an unknown quantity. A change to the status quo in these uncertain times may be too much especially for the smaller family run operators to contend with, leading to park operators leaving the business, which would be a great pity for the industry as a whole.”*

The consultation closed in August and we await the Welsh Government’s decision with interest. There are about 100 residential park home sites in Wales but any radical changes to the established commission system could set a precedent which might eventually affect those in the rest of the UK.

In reality, commission income for parks will fluctuate, from year to year.

Holiday and park home industry update

The NCC is the trade body for the UK caravan industry including holiday and residential parks and homes.

Stephens Scown is proud to have recently become a full member of the NCC. We spoke to them about some of the latest holiday park industry issues they have been involved with in recent months. This includes fire safety since the Grenfell tragedy, the rise of glamping, the latest results from the Freedom to Go campaign, objections to a possible Welsh tourism tax, and news of a new economic impact study for the UK holiday park tourism sector.



Fire Safety

The Grenfell tragedy led to many questions being posed by holiday and park home owners and external bodies about fire safety matters in the sector. It has served as a catalyst for all parties to review fire safety. The NCC and BH&HPA recently agreed a joint fire safety management approach for caravan holiday homes (CHH) and residential park homes (RPH), and the parks where they are sited.

There are of course fundamental differences between the fire safety management of high-rise tower blocks and single-storey accommodation on holiday and residential parks. The risk to life from fire can be mitigated in many ways. The design philosophy that has been adopted and proven to protect life in CHHs and RPHs follows three steps:

- Fire detection and alert
- Evacuation
- Preventing fire spreading

In terms of next steps for the industry, given that CHHs and RPHs are of timber frame construction, the most effective way to mitigate fire risk is not through using ever more fire-resistant materials – rather, the approach is to better protect occupants. However, despite the fire safety measures intrinsic to the design of CHHs and RPHs and the parks where they are sited, the tragedy at the Grenfell Tower nonetheless highlights that there is always more to be done.

NB: To obtain a copy of the full statement please contact Alicia.d@thencc.org.uk

Tourism in Wales

The Welsh Government recently announced it is going to develop new tax ideas as part of its 2018/2019 draft Budget. One of four 'ideas' under consideration is a proposed tourism tax, an initiative which has been introduced in other parts of the world, including Europe. The proposal has already been the subject of some active debate in the Welsh Assembly.

Whilst there is no opposition to fair taxation, there is great concern among the tourism sector in Wales about the overwhelming unfairness of such a proposal, which would impose great harm on the hospitality and tourism sectors if introduced.

The NCC attended a Cross Party Tourism Group meeting in Cardiff on 24 October, where Cabinet Secretary for the Economy, Ken Skates AM, listened to industry views and concerns. He stressed this was one of four proposals the Welsh Assembly would consider. He confirmed a decision on which of the four tax proposals would go forward to Westminster for consideration would be made early in the new year (January). A clear public statement will follow afterwards. A further meeting between the Welsh Tourism Alliance and the Welsh Government to debate the issue is scheduled before the end of the year, which the NCC will attend.

The Great Britain Tourism Survey released on 5 October, found there were 4.24 million overnight trips to Wales from GB between January and June 2017, an increase of 6.3% on the same period in 2016. The amount of spend during this period has also increased to £724 million pounds, an increase of 9.5% compared to 2016.

This is of course an opportunity to raise specific concerns with individual Assembly Members ahead of the formal consultation, pointing out the critical importance of the industry to the wider prosperity of the region.

The NCC will be making a robust response to the Welsh Government in respect of the proposal.

There were 4.24 million overnight trips to Wales between January and June 2017



There has been much talk about the growth of alternative accommodation, so called 'glamping units' (camping pods, forest retreats, yurts, teepees, safari tents etc) on holiday parks.

In the right locations they are certainly working well – whether it be traditional coastal areas, or inland holiday parks popular with walkers and for outdoor activities. NCC holiday park members have commented upon the valuable extra revenue derived from these alternative types of holiday accommodation. One in the Lake District advised they were paying for themselves within two years and the profit was used to finance improvements to the existing holiday park.

With the rising popularity, the diversity of products has grown. Traditional caravan holiday home manufacturers such as Willerby and Swift are moving into the market and building innovative types of units for customers. These 'alternative' units are becoming more luxurious, often containing washing and kitchen facilities, and perhaps even hot tubs with decking. It is vital holiday park operators check their planning permissions and Site Licence, or seek professional advice, before considering siting alternative types of accommodation. The issue of separation distances between units, and making sure relevant risk assessments have been carried out should not be overlooked.

Glamping





Freedom To Go on TV

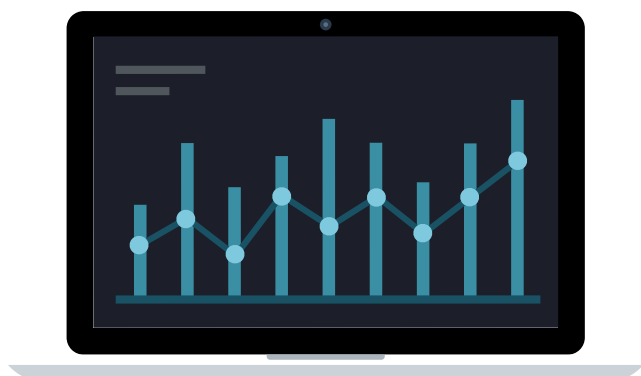
It has been many years since national TV advertising was last used to promote leisure vehicles in a generic promotional campaign. But this spring, NCC, The Caravan & Motorhome Club and The Camping and Caravanning Club, agreed a TV campaign trial as part of the Freedom to Go awareness building campaign (www.freedomtogo.co.uk). The campaign promotes the lifestyle benefits of all types of caravan holidays and the many parks that holidaymakers can choose throughout the UK.

TV media was booked to air nationally for four weeks from mid-May on ITV Breakfast, targeting professional adults and their families.

The advertisement featured an aspirational product range and showcased families enjoying holidays and short breaks, using a variety of products – including caravan holiday homes.

During the period it aired, website visits increased 124% year-on-year. There was a remarkable increase in database sign-ups compared to last year (+198%). But the area that saw biggest growth was 'find a pitch' through the Freedom to Go website. Searches increased by an incredible 2,744%, resulting in 18,643 external links to holiday parks, campsites and glamping options.

If you haven't seen the advert it is available via Vimeo: <https://vimeo.com/156254791>.



Economic Impact Study

The NCC, alongside the BH&HPA, The Caravan and Motorhome Club and The Camping and Caravanning Club, are set to commission a new UK-wide Economic Impact Assessment of the Holiday Park Industry. The objective is to provide an independent, evidence-based, understanding of the direct and indirect economic impact/contribution (including employment) of the holiday park industry in the UK. It will cover all forms of accommodation catered for on holiday parks. A tender exercise is currently underway and the results of this will be made known soon. For more information email frank.f@thencc.org.uk.

RANSOMWARE HEROES



Every business today is now on the internet in some form or another, through online banking to online shops. The internet has made the world feel far more convenient to live and work in. In some cases, the internet has taken entire high street chains away and opened the market to everyone on the internet.

Like all good stories, there is always a villain who is misunderstood and in some cases an outcast. The media can be an active tool in spreading the wrong message about the villain and cause disarray or further misunderstanding. It is hard to know what is right and what is wrong, who to believe and how you can be truly affected by the villain in any story.

We regularly see businesses who use the internet, mobile phones, computers and other inter-connected devices, without any understanding on their full capability and usually they are used with blind trust.

Trust comes from big name brands like McAfee, Norton, Microsoft and Apple to name a few. The reality is that no matter how big they are and how many millions they make, they still make errors which, consequently, can affect any one of their customers – which means it affects you!

Earlier this year there was a string of ransomware called 'WannaCry', that made the news because it affected companies all around the world, including the NHS. Arguably, this was the first time the public understood a cyber-based crime had been committed, that affected them directly, through cancelled appointments and so on.

Ransomware is a malicious piece of software that infects computers and renders them unusable until a ransom is paid. However, this rarely is a successful plight for the victim of such a crime.

Sadly, the news does not report on all the other businesses affected by ransomware, which in our case in the South West, affected a clothing website which was the sole channel of sales for the company. There was also a caravan site in Cornwall in the height of summer that was hit by ransomware, their entire booking system and website was paralysed by ransomware. The caravan company, naturally, had no idea of the bookings and it was not an ideal opportunity to test the backup system either.

You're probably asking yourself, why were they targeted? Well the reality is that the businesses were not the target. In fact, it was a vulnerability that was exploited within Microsoft's Windows-based computers for WannaCry, back in March 2017. The caravan booking system was, in fact, a ransomware attack on a Linux server, which never makes the news as everyone presumes that Linux is safe.

The morale of this story is you need to take ownership and understand your systems however big or small. With great power comes great responsibility.

Reach for your own superhero cape, make sure you have anti-malware software on every device, ensure updates happen and never use administrator accounts where possible.

If you are not sure where to start, think about answering the questions in the government backed Cyber Essentials Questionnaire to see what controls are in place for your organisation. This will empower you to understand your environment and help you protect it. You can access the questionnaire by using this link - <https://www.cyberaware.gov.uk/cyberessentials/>



SECURIOUS
Data and cyber security

**For further information please contact
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[@securiousNS](https://twitter.com/securiousNS) on Twitter**



EYES IN THE SKIES

Drones (otherwise known as Remotely Piloted Aircraft Systems or Unmanned Ariel Vehicles) were once the preserve of science fiction films. Thomas Chartres-Moore, solicitor in our intellectual property and IT team, outlines the changes and issues with the technology.

Over the last decade and through the technological revolution, we have seen drone usage become much more common place. In part, this is due to the reduction in cost of the production of parts, increases in the efficiencies of batteries and motors and the miniaturisation or digitalisation of equipment, such as cameras and gimbals.

In addition, using a drone has become an efficient, safe and cost effective method for many previously time consuming activities – inspecting buildings where scaffolding would otherwise be needed, scanning landscapes for lost animals or individuals, identifying natural fault lines, borders or, indeed, other drones.

The Civil Aviation Authority has, as a result of the boom in drone usage, issued guidance on their use. For the CAA, drones fall into two categories – licenced or unlicensed. If you're not using your drone for commercial purposes and it weighs less than 20kg (about 4 stone), then you do not need a licence to operate the drone. If it weighs more, or it's being used for commercial purposes, then a CAA licence is required. These typically last for 12 month periods, although they can be extended or revoked.

Even without a licence, there is a dronecode, published by the CAA and revised as technology advances.

The dronecode is aimed at those drones which are equipped with cameras. They cannot be used within 50 meters of people, vessels, vehicles or structures and not within 150 meters of any "congested" area. The operator must never be more than 500 meters from the drone horizontally, or 400 meters vertically. As you can imagine, this means that the use of a drone within the dronecode, means that there is one, very obvious, area that would appeal to drone users – fields.

Unlike technology, the law which governs the usage of drones has not been through recent rapid development. Although from a legislative point of view, the relatively young Data Protection Act 1998 and associated legislation, are no longer fit for purpose – when drafted in the late 80's and early 90's, the idea of eyes in the sky, to the extent where almost anyone can pilot a drone, was simply unforeseeable.

As a result, there is very little action that one can take against drone users – the questions to be asked will have to be:

1. Should it be licenced? And, if not
2. Does it comply with the dronecode?
3. Or has there been a breach of the Data Protection Act 1998?

The dronecode's distance requirements are mostly with the safety of the public at mind – an object travelling at 40mpg, that weighs 20kg, could inflict serious damage. Given the advancement in image processors, those distances do not necessarily mean that individuals in an image can't be identified. In that scenario, there could be an action under the Data Protection Act.

The government is currently considering new laws in relation to drone usage and it won't be until those laws are passed, that specific legislation can be used to control their use – by which time, those UAVs may be truly autonomous.



If you would like any further information, please contact Tom on 01392 210700 or email parks@stephens-scown.co.uk

Succession planning

Succession planning is undoubtedly one of the biggest areas of concern that businesses in the UK face today. If you own and run a successful business do you want to put it at risk by failing to plan and not putting an effective strategy in place? The issue is a major concern for businesses as very often there is no governance structure or a succession plan in place.



Many people probably think that succession planning is just about making a Will but this is not the case. Making a Will is of course a very important part of the planning process which will ensure that your estate passes to your chosen beneficiaries in accordance with your wishes when you die, however succession planning is broader than that and is one aspect of the estate planning process.

So why is succession planning such a concern, particularly for family businesses? Undoubtedly it is a daunting task which many people simply put to the back of their minds to deal with on another day, whilst they continue to deal with the immediate needs and pressures of running the business. There are of course important legal, practical and taxation issues to consider. In addition to that, there are also the family relationships and dynamics to bear in mind and the competing interests of the different generations, which may be a reason as to why this important issue is not addressed. The interests of the younger generation who are probably more tech savvy and keen to develop the business, but who are perhaps more likely to take greater risks, must be weighed against the interests of the older generation who may have a more traditional and conservative approach and who want to ensure that the business (and the legacy) is ultimately protected.

However, notwithstanding those issues which will need to be addressed, it is crucial that the matter is not ignored or delayed as a lack of succession planning may not only leave you open to conflicts, problems and possible discord within the family but will undoubtedly put the business itself at risk. One approach would be to break the succession planning strategy down into smaller manageable tasks, thinking first about the short/medium term planning strategies and then the longer term.

A sobering thought to consider, but what would happen to your business if you had died last week? Would the business survive? Would there be someone to keep the business going to ensure that the asset is safeguarded for the intended beneficiaries? Who would be authorised to pay the staff and creditors? How would the goodwill be protected so that the brand and business maintain their value?

In the longer term, succession planning will involve having a strategy in place for effectively bringing the next generation into the business (if it is a family business) to ensure that the business is successfully handed over to them at the right time with minimal disruption and a smooth transition. Whilst undoubtedly the children and family members who are to remain in the business will be the main focus, it will also be important to manage relationships with those children and other family members who have no interest or aptitude for the business. For those that are unable or unwilling to hand over the reins or where there is no family involvement, they may want to consider selling the business in which case it will be important to make sure that the business is attractive to a trade buyer or management team.

You should also consider your own position to ensure that you minimise any charge to capital gains tax on a sale. Whatever the case may be, it is essential that the strategic options are considered sooner rather than later.

Succession planning will undoubtedly present both opportunities and challenges that businesses will need to face over time, particularly as the business grows and develops and family relationships evolve, but this is one issue that needs to be addressed. We recommend that you start early with the planning process, carry out a critical assessment, explore the options that are available and take professional advice. Preparing a family constitution may help you identify and deal with certain issues that may otherwise be ignored. A family constitution is not a formal document and has no legal force as such. It is more of an informal statement of the family's aspirations and general understanding on how the family's wealth should be preserved and used by the current and future generations.



Gabrielle Medland is an associate solicitor in our private client team. If you would like more advice or assistance regarding succession planning please contact Gabrielle on 01392 210700 or email parks@stephens-scown.co.uk

The Holy Grail of profitability, productivity and customer service

**Robin Barker,
South West Tourism
Awards**



Earlier this year I was lucky enough to take a trip to the Phillipines, where I was struck by how many staff were allocated to each job in restaurants, hotels etc. Labour was clearly plentiful (and inexpensive), service was fast and there were smiles galore (though I had to wonder whether those smiles continued as staff headed home, often to squalid shanty towns).

Returning to the UK and visiting parks, pubs and hotels, it is immediately obvious that staff are clearly more expensive to employ and are very often hard to find. For many, Brexit is already making this harder, with recruitment agencies reporting a lack of candidates and many foreign nationals already heading home.

UK staff are clearly having to multi-task more and work harder, with needs for wide ranges of skills and long hours, as well as technology to minimise staff costs. The worry – from someone who manages tourism awards across much of the UK – is that customer service will suffer and with it profitability.

Meanwhile our government is obsessed with the 'P' word. No, not profitability, but productivity, in which the UK lags behind many of its European competitors.

Productivity, or 'output per hour' from our workforce, is a relatively simple concept to understand in the manufacturing sector, but in tourism, hospitality and much of the service provider sector, it is not a favoured term and the more enlightened politicians recognise this.

Imagine a typical small camping park, maybe run by Mum, Dad and the family. They will understand customer service and profitability, but productivity? I'd suggest not.

Tourism contributes in many other ways, through employing seasonal staff who would otherwise not find jobs, to raising skills through the enjoyment and relaxation offered to our population, to our GDP, and for many to our environment.

So what do we need to do?

Firstly, we all must get behind campaigns that demonstrate the benefits of tourism and tourism employment. At the same time, making sure we all contribute to our local economy and workforce.

We must all continue to invest in our people, at all levels, to give them the skills they will need in one of the UK's largest and fastest growing sectors.

And finally, whatever the government may decree, we can't take our eyes off the 'customer service' ball, as that is central to happy customers, return visits and ultimately, to business success.

**Robin Barker, Services For Tourism,
www.services4tourism.co.uk**



Parks legal timeline

For holiday and residential park owners keeping track of the latest legal developments and proposals can be a bit of a minefield. In this parks law timeline we highlight the key changes that park owners need to be aware of during the financial year, along with some key industry events.

PARKS TIMELINE

STEPHENS SCOWN
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DURING 2017

AREA TO WATCH

We expect to see more test cases under the Consumer Rights Act 2015, with consumer groups (including transport and passenger groups) preparing to claim against transport providers for consumer rights breaches. Which may provide more guidance when interpreting the Act in its application to the sales of caravans and park homes. We also expect more enforcement cases against companies across the EU for breaches of consumer rights law. For example, Virgin Media has been recently fined 22,000 EUR for breaches of consumer law.

AUGUST 2017

17 August

The consultation on commission in relation to residential parks in Wales comes to an end on 17 August.

OCTOBER 2017

30 Sept - 2 Oct

The Static Caravan & Motorhome Show, Westpoint Arena

17-22 Oct

The Motorhome and Caravan Show, NEC, Birmingham

NOVEMBER 2017

29 Oct - 1 Nov

The Malvern Caravan Show, Three Counties Showground, Malvern

8-9 Nov

Holiday Park & Innovation Show, NEC, Birmingham

10-12 Nov

Travelworld 2018 Model Sales Extravaganza, Telford, Shropshire

JULY 2017

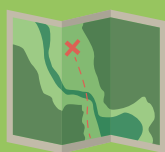
Now

The new tax-free childcare scheme is in force, changing how employees can save and pay for childcare. It is not open to all employees and those wanting to participate will need to satisfy themselves that they meet the eligibility criteria. Businesses who currently offer childcare vouchers should look at taking advice on the new scheme and whether they need to take any steps to alter their current arrangements.

The Taylor Review into Employment Practices in the Modern Economy has been published. The "gig economy" has been in the news recently with decisions being made that individuals working for Uber and CitySprint are workers, not self-employed. Parks are often reliant on flexible, mobile workforces so how the Government responds to the Review's recommendations and how the landscape changes in this area, particularly in a climate where European workers are less attracted to Britain, is likely to be of great importance to future workforce planning.

JULY 2017

Supreme Court decision on Unison's challenge to the introduction of employment tribunal fees handed down. Unison challenged the introduction of employment tribunal fees, which saw a significant decrease in the amount of tribunal litigation, as unlawfully restricting access to justice. The Supreme Court agreed with that challenge and ruled in Unison's favour. There is therefore no longer any fee payable to bring a claim in the employment tribunal.



SEPTEMBER 2017

2-3 Sept

The Caravan Extravaganza (The Lawns), Hull

Autumn Motorhome and Caravan Show Newark, Newark Showground

Cottingham Parks Lodge & Caravan Show, Woodhill Way, Cottingham, East Yorkshire

15-17 Sept

The South Coast Caravan & Motorhome Show Romsey, Appletree Exhibitions, Broadlands Park

22-24 Sept

Holiday Caravan (Beaulieu), Hants

The Motorhome Show, Season Finale, Motorhome Exhibition, Warners, Lincoln Showground

The BH&HPA is consulting on their draft purchase and licence agreement for holiday homes which closes in September.

A few key things to look out for are:

- More test cases under the Consumer Rights Act 2015. Which may provide more guidance when interpreting the Act in its application to the sales of caravans and park homes.
- The response to the consultation on commission in relation to residential parks in Wales.
- BH&HPA's consultation on their draft purchase and licence agreement for holiday homes.
- Government dealing with the consultations on residential parks in England, response to Part 1 and then the consultation on Part 2.
- The General Data Protection Regulation (GDPR) comes into force on 25 May 2018.

This timeline doesn't cover all park law developments, if there is an issue that you would like to discuss, please don't hesitate to get in touch with our parks law specialists by emailing:

**parks@stephens-scown.co.uk
or call 01392 210700.**

DURING 2017/18

AREA TO WATCH

Government department dealing with the consultations on residential parks in England, response to Part 1 and the government will be initiating the consultation on Part 2.

MARCH 2018

9-11 March
The Westcountry Caravan & Motorhome Show, Westpoint, Exeter

APRIL 2018

30 April
Childcare voucher scheme closes to new entrants, with the introduction of the new tax-free childcare scheme. Employers offering these benefits should make sure they are set up for the new scheme and understand any changes that need to be made.

MAY 2018

25 May
The General Data Protection Regulation (GDPR) comes into force, which will introduce significant changes to the existing data protection legislation, especially to those who process personal data. The GDPR introduces a substantial fine which is the maximum of £20 million or 4% of annual worldwide turnover. The GDPR will have force in the UK notwithstanding the result of the EU Referendum. Throughout 2017 anyone offering goods or services, or monitoring behaviour on anyone in the EU, will need to be aware of the changes and take steps to ensure compliance in readiness of the go-live date.

JANUARY 2018

31 Jan - 1 Feb
BH&HPA Conference, Marketplace and Exhibition. QEII Centre, Westminster



FEBRUARY 2018

20-25 Feb
The Caravan, Camping & Motorhome Show, NEC, Birmingham

17-22 Oct
The Motorhome and Caravan Show, NEC, Birmingham

APRIL 2018

Termination payments that are subject to income tax on amounts in excess of £30,000 will also be subject to employer's National Insurance Contributions. This may become relevant to the negotiation of departure packages and the settlement of potential claims as the costs to be borne by an employer will now be higher than previously. This may then result in lower offers being made to employees to compensate for the additional costs and so make resolution harder to achieve.

Increases expected to the National Living and National Minimum Wage.

Increases expected to statutory payments for time off from work (including maternity leave and sickness absence).

These increases are normally announced in Autumn of the previous year. The Government has committed to increasing the National Living Wage to 60% of median earnings by 2020 and at a time when small businesses are already having to deal with the challenge and costs associated with auto-enrolment, increases to the National Living Wage will place yet further pressure on their bottom line.



Meeting the demand for guest WiFi

A key challenge for holiday accommodation owners is meeting their guest's expectations regarding wireless internet access (WiFi).



Accessing the internet has become an integral part of daily life; and most people expect to be able to get the same level of WiFi on holiday, as they do at home. Insufficient WiFi is a common complaint on TripAdvisor and can even deter potential guests from visiting.

David Thomas, Chairman of Exeter-based Bluegrass Group, highlights three key factors which must be considered, if you are looking to install, or upgrade, WiFi at your holiday accommodation.

The first consideration concerns delivery of the signal to the end user. Ensuring good guest connectivity requires creating a careful plan of the proposed site and then installing a resilient network for your needs. The more time you spend getting the survey right, then the quicker the installation and better delivery for your guests.

A mesh network is always the preferred option which, as its name suggests, creates a mesh allowing for resilience in the network. If an access point were to fail, or go offline, then your mesh network should make up for the missing component, allowing you to diagnose and repair the component without your guests knowing a thing.

With the latest cloud managed wireless solutions, the system reports back to your supplier to notify of a faulty component. In most cases, this can either be fixed remotely or will trigger a visit from an engineer, without your guests experiencing any connection issues.

The second matter to consider relates to guest usage. The point of failure for most wireless systems is disproportionate usage. Heavy usage by a minority can compromise the experience of the other users, regardless of the quality of your wireless system.

On average, a typical family takes ten internet enabled devices on holiday, so it's easy to see how a few guests could monopolise the WiFi and prevent other guests from gaining access.

Putting in controls at the gateway, the actual point of connection to the worldwide web, is the most effective way to ensure an even distribution of usage. Limiting the amount of internet available to each guest, effectively assigning a quota, stops bandwidth hungry users from taking too much and creates a fair distribution method for all.

The final factor to consider is how to prevent illegal downloads and online activity. Unfiltered internet access is likely to be abused by some individuals, who take advantage of the anonymity of a public WiFi service. Even if a sign in page is required to gain access to WiFi services, these users may still choose to engage in illegal online activities on the dark web or via P2P file sharing sites.

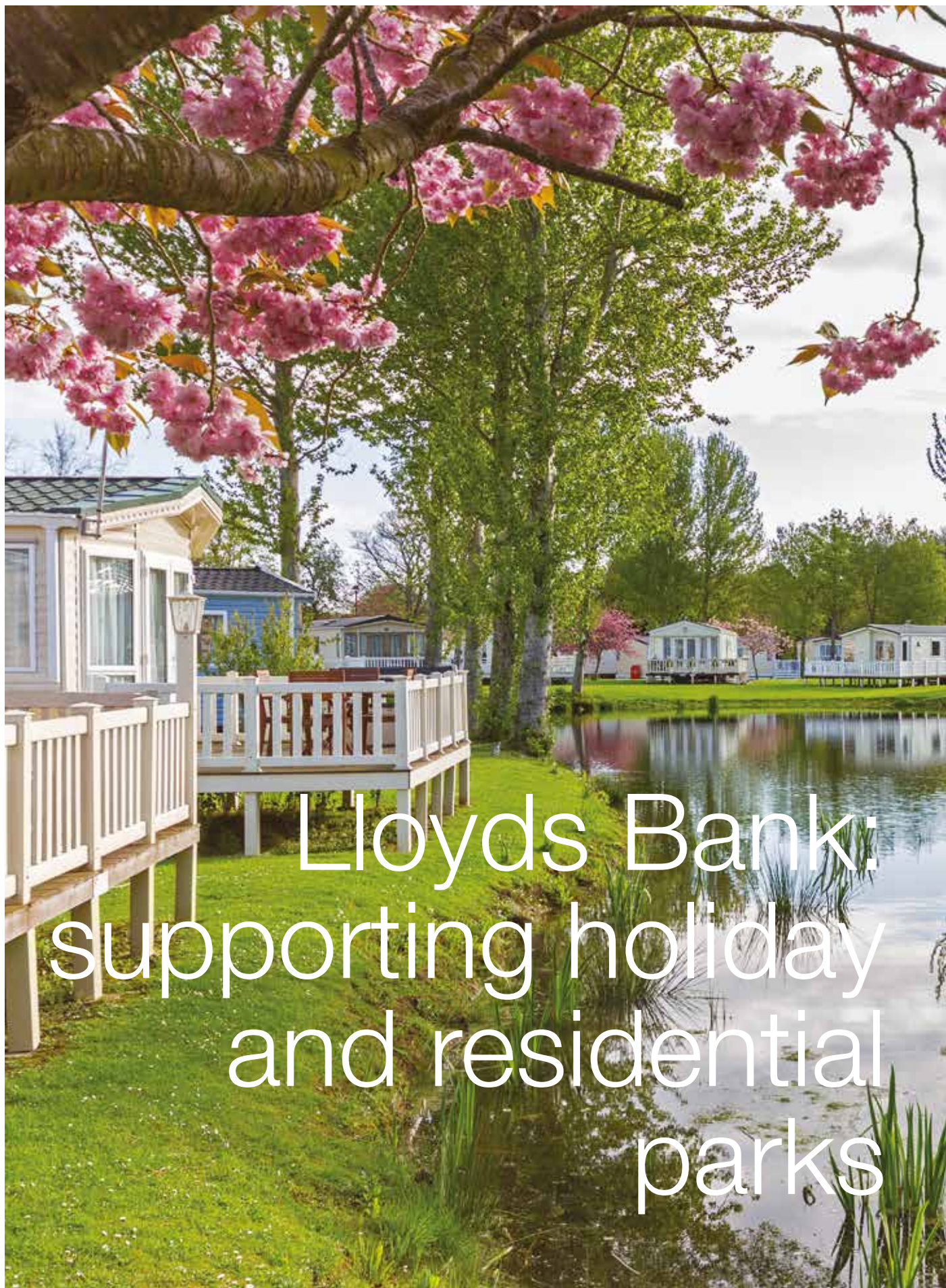
Adding a web content WiFi filter for public WiFi will limit the activities that can take place and prevent the risk of prosecution for crimes such as copyright infringement. To ensure the most efficient wireless system and best guest experience, seek the expertise of a WiFi expert and plan the system carefully.

Bluegrass is a highly respected and trusted provider of industry leading, outsourced IT support services to companies, from all industry sectors across the UK. Bluegrass delivers the complete IT package, from fully managed IT support to strategic advice; IT security; business continuity and cloud services.



If you would like more information, please contact David Thomas at Bluegrass on 01392 207194 or email David@bluegrass-group.com

**Learn more at:
www.bluegrass-group.com**





The parks sector is a dynamic and growing sector, with a particular set of complexities, demands and opportunities. Seasonal revenue and unforeseen events can all provide a challenge to the finances of a business.

Having the support of a bank that understands the circumstances and economic cycle an industry is facing, can make a real difference. Lloyds Bank's specialist experience in this sector has been built over many years of working with holiday and residential park clients. By building long-term relationships, this allows our team to provide the tools, expertise and support to help businesses prosper.

An individual approach

With a diverse mix of park types, first-hand knowledge is incredibly important. Whether it's hire fleet or privately owned caravans and lodges, or a camping and touring park, we understand that each park has individual and varied requirements.

Our team's priority is to understand your business strategy and goals, allowing us to work with you to provide a stable financial platform, delivering both cash flow based and long-term funding solutions.

A growing market

We are committed to supporting British business, including the holiday and residential park sector, that's why, since 2011 we have increased our SME net lending by 31%, in a market that contracted by 12%*.

A challenging financial climate can provide additional prospects for some industries. With many people still cautious about the economy and a falling pound since the vote to leave the EU, a holiday or short break in the UK has become increasingly appealing. We recognise many park businesses see this as an opportunity and that's why we've reviewed our credit policy to assist this appetite for growth, whether that's improved facilities or expansion. We can also help you with finance for caravan purchases, through a funding package from our Hire Purchase and Leasing team.

The park sector can be incredibly rewarding, but even with the best planning, we know there are a number of factors that are out of your control. However, you can always be certain that our team is here to assist you, in any way we can, so that we can help you realise your ambitions.

If you'd like to talk to our team, please contact:

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LLOYDS BANK

**Lloyds Bank Commercial Banking 'Supporting British Business' Factsheet and Case Studies – Jul 2017*

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www.lendingstandardsboard.org.uk The provision of credit or leasing services is subject to your meeting our Credit approval. Please ensure that you only apply for credit or leasing services that you can comfortably afford.



Employee pulling a sickie?





When you are within your busiest time, it can be so frustrating when staff let you down and don't make it onto the park – everyone else has to pull together to get the jobs done and that places great pressure on all of your team. Sometimes you just have a suspicion that there is another reason for the absence, or that the person is not as sick as they are making out.

So what can you do if you have a sick employee and you think they may be “swinging the lead”? It's a common question asked of Verity Slater, partner in our Truro office, who specialises in HR/employment law.

It was found that the dishonesty of an employee in “pulling a sickie” (in this case exaggerating an injury) went to the heart of the relationship of trust with their employer and his resulting dismissal was, therefore, fair.

See Verity's top tips on the opposite page, if you have suspicions about whether your employee's sickness is genuine.

The 2016 case of *Ajaj v Metroline West Ltd* was a welcome one for employers.

<p>1</p>  <p><i>Dig out and read your sickness absence policy if you have one.</i></p>	<p>2</p>  <p><i>Keep a detailed record of the days the employee has off sick, so you can spot any patterns emerging. Keep notes of any discussions you have with them about their illness. Get the employee to complete a sickness absence record form for any days absent.</i></p>	<p>3</p> <p><i>Check you are paying the employee sick pay in accordance with their employment contract. If you started paying them full pay but they are actually only entitled to Statutory Sick Pay (SSP), write to them to confirm the discretionary pay has ended and you are now moving to SSP only. If you have a history of paying full pay to some sick employees and you think you may have set a precedent, speak to us first.</i></p>
<p>4</p> <p><i>Get the employee seen by an occupation health nurse, or doctor, at an early stage (ie within 6 weeks). If you need help finding one of these experts let us know.</i></p>	<p>5</p> <p><i>Meet with the employee regularly to talk about how they are getting on and when they may return (or if appropriate, raise with them your concerns about their intermittent absence). It is a lot easier for the employee to be off sick if they don't have contact with you, or don't have to explain what happened to them on certain days.</i></p>	<p>6</p> <p><i>If they are off for more than 2 weeks, write to the sick employee saying what conduct you expect from them while they are sick (or bring to their attention if you already have this in your sickness policy).</i></p>
<p>7</p>  <p><i>If you still think they may be malingering, take advice on whether to address this as a misconduct issue (e.g. if you have a belief that an employee is acting dishonestly in exaggerating a condition), or a capability one (based on their actual fitness to work).</i></p>	<p>8</p> <p><i>Although you may be suspicious, do a reasonable investigation before suspending or starting disciplinary action against them – especially if they have more than 2 year's service. Make sure you follow the relevant ACAS Code of Practice. Check any CCTV footage you have from your site to see if their actions, when they are not in front of you, are in line with their condition.</i></p>	<p>9</p> <p><i>Take advice before you start any surveillance of an employee, however tempting this is – although Metroline were able to, it will be rare for covert monitoring of workers to be justified. You would need to have some reasonable grounds already for believing the employee is acting dishonestly or exaggerating their condition. Monitoring should only be used in exceptional circumstances and not in spaces in which employees would expect to be private – like their own home or garden.</i></p>
<p>10</p> <p><i>Don't jump to conclusions if you see Facebook or other social media posts that suggest an employee is not as ill as you thought. Take a screen shot of the post as this may be useful evidence in a subsequent investigation into the genuineness of the employee's sickness, but speak to our team, and to the employee, about this before moving straight to disciplinary action or dismissal.</i></p>	<p>Our experienced employment team can help you in handling such cases correctly. We can provide you with all the necessary advice and support (including at your premises), standard letters and even training to help handle these matters.</p> <p>If you would like any more information, please contact Verity by calling 01872 265100 or email parks@stephens-scown.co.uk</p> 	

VAT treatment of charges made to caravan owners

A common query we receive from park owners is how the various charges associated with pitches for caravan holiday homes, park homes and lodges (collectively referred to as “caravans” in this article) should be treated for VAT purposes. The following article summarises some of these common charges.

How should I treat charges for electricity and gas?

Do you identify actual consumption for electricity and gas?

If yes, the charge made by you as the park owner is considered by HMRC to be subject to VAT at the reduced rate.

If no, the charge to the caravan owner will have the same VAT liability as the pitch fee (standard rated for holiday pitches and VAT exempt for residential pitches).

These rules also apply for first time connection charges to electricity and gas services (provided these exclude general maintenance or provision of the infrastructure that supplies the utilities to the pitch itself).

What about charges for water and sewerage services?

Do you meter actual consumption?

If yes, the charge made by you as the park owner will be a separate supply of water and sewerage that is zero-rated for VAT purposes.

If no, you can't identify consumption, then any charge for water and sewerage will follow the same VAT liability as the pitch fee.

Again, these rules apply for first-time connection charges to water and sewerage services (provided these exclude general maintenance or provision of the infrastructure that supplies the utilities to the pitch itself).

What is the VAT liability of service charges?

The VAT treatment of service charges to caravan owners will depend on whether:

- your charges are for specific services provided to individual customers; or
- relate to the general upkeep and maintenance of the park.

Where you provide individual customers with specific services (for example window cleaning, repairs etc.), these charges are subject to VAT at the standard rate, irrespective of whether it is a holiday or residential park.

Where you make charges towards the general upkeep and maintenance of the park (for example grass cutting, repairing roads etc.), the charges are considered further payment for the pitch and will therefore have the same VAT liability as the pitch fee.



Insurance

The premium paid to an insurer is usually exempt from VAT.

However, if you are a park owner and recover the cost of your insurance (e.g. your general liability insurance) by making a separate charge to caravan owners, this charge is treated as further payment for the pitch. The VAT treatment is then standard-rated for holiday parks and exempt for residential parks.

If you arrange insurance on behalf of an individual caravan owner, any charge made, or commission earned, for arranging the insurance may be exempt from VAT (as long as the caravan owner is the recipient of the supply of insurance made by the insurer).

This is a complex area of VAT law, so we recommend you obtain appropriate advice if this type of income is likely to be received.

Richard Holm

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Diana Pugh-Hudson

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Review your marketing and save money

Are you still doing what you've
always done and getting what you
always got?

When was the last time you reviewed
your marketing/advertising spend
and measured the return on your
investment?



It's a question we asked a holiday park we worked with recently and consequently saved them thousands of pounds while increasing bookings.

If, like them, you are still ploughing most of your budget into print advertising, you may as well be throwing the money into an empty pit.

Now, I have to stress at the start that I am not against print advertising, per se, but there are just so many more options available to you these days.

You have a diverse client base and your marketing mix should reflect that.

When we analysed the spend of the park we worked with, the vast majority of the budget went towards print advertising.

But, and this is a big but, a lot of that had been in place for years without a review and there was little evidence of any of it actually working.

We helped to work out what advertising was worth keeping and what to stop and also renegotiated terms with most of the titles. Newspapers, in particular, are more commercially aware these days and are prepared to accommodate reasonable requests and bargaining pleas from loyal customers.

Next we shifted the unnecessary spend towards digital advertising (Facebook in particular).

If you haven't used this platform before, you will be amazed at just how much reach you can achieve with a relatively small budget and how you are able to target your adverts in terms of age, gender, location and even interests and hobbies.

You can also measure the success of your advertising, something that is almost impossible in print.

The next thing we did was to train the park's marketing team to be more adept at using Twitter, Instagram and Pinterest.

These social platforms are a brilliant, and FREE, way of showcasing location, views, attractions, etc.

After our six-month stint, the holiday park had saved thousands of pounds, knew where the rest of its money was going and subsequently enjoyed their busiest season to date.

The team now run all of their own Facebook campaigns and social media accounts and are doing a brilliant job.

So here is your simple, five-point checklist for saving money and marketing yourself better:

- 1 If you are spending money on marketing and are not sure where it is going, STOP now and carry out an immediate review.
- 2 If you haven't tried 'digital advertising', take the plunge. You have very little to lose and a lot to gain.
- 3 If you have been a loyal customer of a newspaper or magazine, don't be afraid to ask for more space for the same price, free editorial or complimentary web advertising. Your business is more valuable to them than ever.
- 4 If you haven't already done so, embrace digital. Social platforms enable you to build your own audience, to control your content and ... they are FREE! And, if you have a young person on the team, they will be able to show you what to do and how to do it.
- 5 If all of this scares you and you don't know where to start, seek some expert advice. It could be an investment that repays itself over and over again.



Marc Astley is CEO of Astley Media, an award-winning PR, marketing and design agency based in Devon. You can contact him with any questions by emailing marc@astleymedia.co.uk or call 01392 267390.



THANK YOU

We would like to say a huge thank you to all those who contributed to our Park Life guide:

- Astley Media
- Claylands Park
- Ladram Bay
- Mother Ivey's Bay
- Oakdown Country Holiday Park
- Padstow Touring Park
- Raywell Hall Country Lodge Park
- Services for Tourism
- Shopper Anonymous
- Tree Tops Caravan Park
- TripAdvisor
- VisitEngland
- Woodland Holiday Park
- Woodovis Park

If you haven't yet seen a copy of the guide, we uncovered some great secrets to becoming an award winning park. Please email marketing@stephens-scown.co.uk to request your copy.



Are your contact details up to date?

We send out regular e-mails to our contacts, are your details up to date? To ensure you receive our regular updates and invitations, please send your email address to parks@stephens-scown.co.uk

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