

The representative body of the parks industry including caravans, chalets, lodges, park homes, tents, glamping and all types of self-catering accommodation.



The Rt Hon Boris Johnson MP
Prime Minister
Office of the Prime Minister
10 Downing Street
London
SW1A 2AA

BRITISH HOLIDAY & HOME PARKS ASSOCIATION LTD

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Dear Prime Minister,

Your support for rural and coastal tourism business please

1. We are relieved that you are returned to good health and delighted to see you back in Downing Street.
2. Further to my letter of 2 April 2020 to the Chancellor, the British Holiday & Home Parks Association (BH&HPA) represents the owners and managers of 2,133 holiday and touring parks across the UK, providing 342,594 caravan pitches for holidaymakers. Located in rural and coastal areas, before the COVID-19 outbreak they and their customers were a mainstay of their local economies providing employment and supporting local services and businesses.
3. Our parks closed to fight this virus, save lives and protect the NHS. Some have taken in NHS, other key workers and the homeless whilst working to support their customers and staff teams.
4. All hope their businesses won't fail but we need your help please.
5. We noted how President Macron reached out to his tourism industry in his address to the French nation on 13 April, tweeted his support on 24 April and then met with holiday park and other tourism representatives on the 25th. That recognition and the promise of sustained and reinforced support from the highest level of Government demonstrates that, like you and the Chancellor, France is willing to do 'whatever it takes' in this crisis.
6. We have published a video - <https://youtu.be/wscXCtYcqXo> - explaining the support being offered to French tourism businesses. President Macron gave an undertaking to develop a new and specific plan for sectors like tourism so gravely impacted by this crisis, cancelling charges and bringing forward new specific aids. His meeting with tourism representatives on Saturday addressed those plans.
7. ***We ask please that you to consider international best practice and develop a plan specific to British tourism businesses. We ask this not only for our businesses, but also for the rural and costal economies we sustain and communities that we support.***



Director General:
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Member, European Federation
of Campsite Organisations
& Holiday Park Associations

Registered Office - as above. Registered No 713398 England.

Coronavirus Job Retention Scheme (CJRS) – we need FLEXIBLE or PARTIAL furloughs

8. All appreciate the Government's support to our businesses and to our staff. Thank you for the CJRS which protects some staff.
9. The French and other systems allow **partial furloughs** so that the business has access to the skills they need for survival. The 'all-or-nothing' inflexibility of the British system means that either those skills are lost for three weeks at a stretch, or the business incurs ongoing costs, so hastening their demise.
10. Holiday parks are complex businesses with an infrastructure akin to that of a village. They cannot close the door and walk away, and it is not just about mowing the grass. The electrical, gas, water and sewerage infrastructure require maintenance, in addition to work on the landscape and security. In turn, this work requires different skill sets within the workforce to which the business has no access when staff are furloughed. This is unworkable given e.g. the need for all electrical switching and appliances to be checked following a power cut or surge, and this across a fleet of caravans. Appendix A provides further detail on this essential park maintenance work.
11. Although their income has been severely compromised by closures, our members continue to incur significant overheads for essential safety, maintenance and administration tasks, including significant employment costs. Typically, for small park businesses this means that their current costs are close to those they would have incurred when fully open.
12. Our survey of members found that only the larger businesses able to furlough a proportion of their team had been able to use the CJRS to achieve cost savings. Even in these cases, cost remain typically between 60% and 70% of their usual running levels.
13. Although we are very grateful, this means that the smaller park businesses (RV below £51k) have – or will very shortly have - spent their Business Support Grants received under the Retail, Hospitality and Leisure grant fund.
14. Of the 2,133 holiday and touring parks in our membership, the average size is 24.3 acres, with 160 pitches (the largest is 580 acres and 3,477 pitches and the smallest only 0.2 acres and a single pitch).
15. It is the smallest parks whose ongoing costs represent the highest percentage of their normal trading costs. This is because their teams typically include only one or two specialists for each essential task. Their need to retain these workers means that these most exposed businesses are the least able to access the CJRS.
16. The prohibition on an employee carrying out any work for their employer whilst on furlough is the barrier to SME holiday and touring parks being able to use the scheme. We acknowledge the limited flexibility for employees to return after three weeks to carry out some work before going back on furlough. However, such essential safety, maintenance and closure administration tasks cannot be carried out on such an ad hoc basis. The staff need to be there when e.g. there is a power cut or the wind blows.
17. Consequently, parks are being forced to retain workers and other members of a small team, whose services are needed only on a limited basis.
18. We urge you to consider the flexibility of the scheme made available by the French government to French businesses. The French scheme allows partial furlough. Employees on partial furlough are retained for perhaps one day per week. There is a logic to this given that the British Government is currently paying 80% through the CJRS.

19. A comparable flexibility in the UK might be limited to the minority of employers who are currently **required** by the Coronavirus Regulations to be closed for business, or it might be limited to land-based businesses with an infrastructure such as we describe. It could be a lifeline for many, allowing essential work to continue whilst the CJRS is used effectively.
20. The scheme's objective of preserving jobs can only be met by keeping these businesses going. Currently, that objective is at risk in too many cases. We repeat our members' appreciation of the Government's support to park businesses and their employees.
21. ***We ask please that you consider international best practice to best serve British tourism businesses and that our proposal receives urgent consideration?***

Coronavirus Business Interruption Loan Schemes (CBILS) – we need access to funds

22. Again, we are grateful for your support through the loan schemes, and particularly today's announcement of the Bounce back loans for micro businesses.
23. In France, this concept applies to all tourism business which is why the funds have been getting through to the businesses which need them.
24. Recently medium and larger park members have reported greater success where the businesses have been using credit for development, such that their accounting and systems are geared to meet lenders' requirements.
25. However, where a viable business has operated over many years without need of credit, they do not have the systems in place nor information to hand necessary to satisfy lenders' requirements. This is not a fault of the business, merely a consequence of its previous viable operation.
26. Under the French system, banks are reassured by the 100% guarantee of the French state, which means that loans of up to one third of the business's average turnover are being agreed with great simplicity such that funds are reaching the businesses in need in a timely way.
27. ***We ask that you consider international best practice so that the Bounce back loan system can apply to all tourism businesses in need of credit to survive.***

Government assistance in dealing with consumers – we need to give our customers confidence

28. Many of our customers have long connections to our businesses and regularly spend their holidays with us. Some families have done so for generations. They wish to support us by postponing rather than cancelling their booking arrangements but need to be given confidence that the park will still be in business for the new dates they are discussing later in 2020 or in 2021. It is hard for them to have that confidence when they see reports in the press and on social media of customers demanding refunds from park businesses which are closed and so deprived of income indefinitely.
29. Other customers may not have a long-standing connection but have heard the Government's message to support businesses and jobs at this challenging time. However, many of them also need to be given confidence that re-booking is not just putting them at the back of the queue to receive a refund if the business fails.
30. A minority are pressing hard to simply receive a refund and their belief that they can insist on this means some of them can be aggressive and/or litigious.

31. Stricken holiday park businesses are working with all these customers whose holiday bookings have been cancelled by the Government's closure, asking that they consider postponing their holiday rather than cancelling. In many cases, the park does not have the funds to make refunds in any case. Doing so may force them into insolvency and closure, with devastating consequences for the employees and caravan owners whilst also prejudicing any customers who have supported them by postponing.
32. As mentioned, it is this risk which is dissuading many customers from making these arrangements. For some of our members, this is creating a downward spiral
33. We have urged the Government to increase the flexibility of the CJRS so that our members may fund their additional *expenditure* whilst their businesses are closed, in particular the maintenance and payroll costs which cannot be picked up by the furlough scheme. Even if our plea to improve the availability of the CJRS is heard, we cannot advise our members to use loans to continue trading if their business is no longer viable. Forcing our members to provide refunds rather than having the flexibility to re-book (particularly for the many customers who wish to support their business) will put many into a loss-making and unsustainable trading position.
34. In France, the state assists tourism businesses in two ways:
 - a. Support in dispute management with customers or suppliers by the Business Ombudsman
 - b. Relaxation of consumer law so that where a tourism business does not have the cash to pay a refund, a customer may receive a voucher (credit note of 18 months' validity) instead. The voucher must be equivalent to the amount of the holiday which could not be taken due to the crisis. This applies to cancellations between 1 March and 15 September 2020. The tourism business needs to fulfil a range of conditions for the credit note to apply. Customers can accept the voucher safe in the knowledge that the business is not being forced to make other refund claims at an unaffordable rate which will prevent it from fulfilling the new dates.
35. Our French colleagues report that both measures assist beleaguered tourism businesses, so again ***we ask you to consider international best practice to best serve British tourism businesses please.***

Government assistance to reduce costs *without which businesses will fail shortly*

36. President Macron's meeting on Saturday addressed ways to reduce tourism business costs.:
 - ***Social charges*** (our equivalent would be NI + auto enrolment pension + apprenticeship levy etc) are suspended for 3 months (no charges at all), thereafter they are to be postponed for a further period depending on developments with virus spread vs. reopening
 - ***Interest on loans*** and finance have already been postponed for 6 months (with 6 months added onto the end of the loan/finance agreement), with discussion now to extend this to 12 months given the pressures on tourism businesses.
37. France sets VAT at 10% on tourism accommodation and pitches for caravans and tents. The UK has deferred VAT payments amounting to double this. The VAT system presents another area where you could help our businesses survive by following best practice.

Winter is coming – seasonal businesses need certainty of ongoing support


38. It is looking increasingly likely that seasonal tourism businesses will lose the majority of their 2020 business income. Depending on how and when the lock-down ends, with the season lost we fear those businesses which survive that far will run out of cash and go under next winter, even if the virus threat is behind us.

39. We greatly welcomed your announcement to extend the CJRS to the end of June for those members of the staff team that it supports. However, it is already certain that park businesses will fail even if they are able to open to their customers in July.

40. We ask please that you provide the ongoing support seasonal tourism businesses will need, even if the country returns to a 'new normal' sometime this summer.

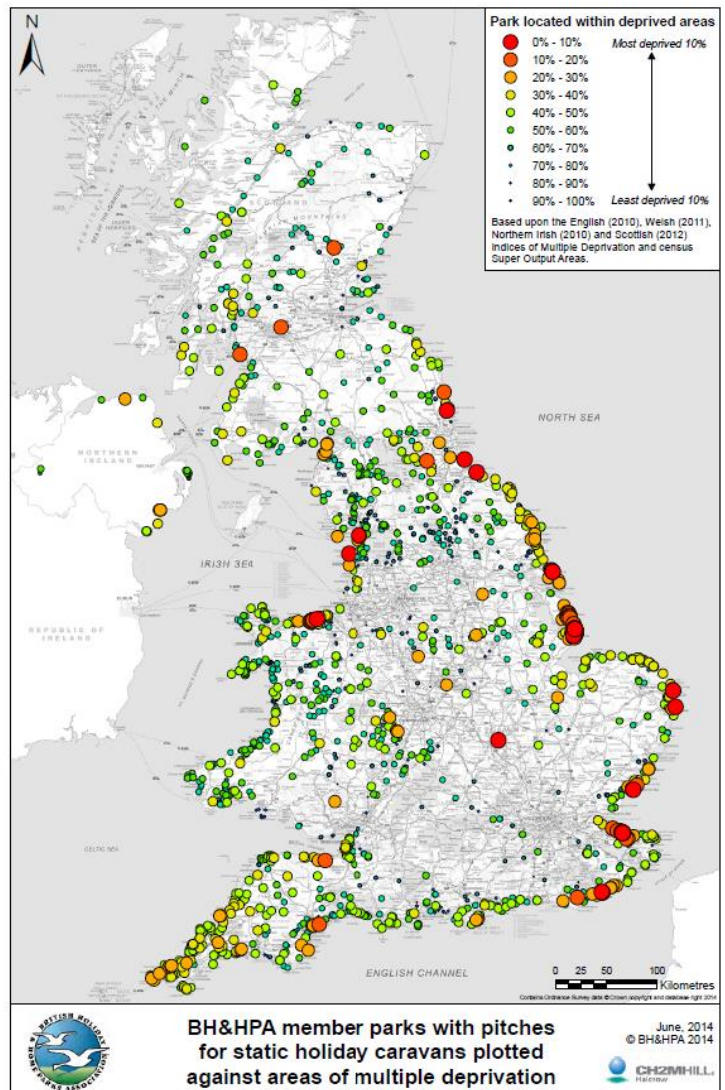
41. We ask you to consider international best practice and develop a plan specific to British tourism businesses given the decimation of our market. We ask this not only for our businesses, but also for the rural and costal economies we sustain and communities that we support (see UK map),

We plead for the survival of our businesses
and the communities we sustain,



Ros Pritchard OBE
Director General
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CC:
Chancellor of the Exchequer
Minister for Sport, Tourism and Heritage



Appendix A - further detail of this essential park maintenance work.

Many of the essential safety tasks which must continue on holiday parks during the closure period to keep the business and the local community safe require specialist employees, whose skills are not interchangeable. Examples include:

- Electrical safety inspections and emergency repairs
- Gas safety inspections and emergency repairs
- Tree maintenance including surgery and survey of trees after adverse weather
- Sewage treatment works maintenance
- Service and repair of on-site equipment such as tractors, mowing machines etc.
- Discharging safety responsibilities for public rights of way, paths and private beaches

Some tasks may be less specialist but remain necessary if parks are to remain safe for anyone still on them currently, and when the park re-opens. Examples include

- Work to manage impacts of the weather on buildings, caravans - wind, rain, dry conditions
- Leaks to be repaired in caravans, central facilities and water pipes (higher pressures as not being used)
- Swimming pool – chlorine check x2 daily
- Pest control including rats, squirrels, rabbits, ants
- Safe storage of refuse not being collected.

There are other tasks which are direct consequences of complying with the Government's closure order. These tasks are either intermittent or expected to become so shortly. Some also require specialist skills which are not interchangeable:

- Payment of refunds to customers where possible
- Payments to finance houses where customer defaults on caravan loan
- Bank charges, loan and debt servicing
- Insurance premiums: collection from customers (usually to a single annual renewal date)
- Finance payments on equipment - HP or hired in
- Managing contracts (for goods and services) that cannot be suspended: e.g. refuse and sanitary disposal
- IT and software maintenance