

Explanatory Memorandum to The Caravan Sites Act 1968 (Amendment) (Wales) Order 2007

This Explanatory Memorandum has been prepared by the Private Sector Unit of the Housing Directorate and is laid before the National Assembly for Wales.

- (i) **Description** This Order amends the definition of caravan in section 13(2) of the Caravan Sites Act 1968 ('the 1968 Act').
- (ii) **Matters of special interest to the Subordinate Legislation Committee** There are no matters of special interest.
- (iii) **Legislative Background** Section 13 of the 1968 Act excepts from the definition of 'caravan' in Part 1 of the Caravan Sites and Control of Development Act 1960 ('the 1960 Act') twin-unit structures designed or adapted for human habitation, which are composed of not more than two sections separately constructed and designed to be assembled on site by bolts, clamps or other devices, which when assembled are physically capable of being moved by road from one place to another and whose dimensions exceed specified dimensions. The power to specify those dimensions were vested in the Secretary of State. These powers in relation to Wales were transferred to the National Assembly for Wales by virtue of the National Assembly for Wales (Transfer of Functions) Order 1999, and are now vested upon the Welsh Ministers by virtue of the Government of Wales Act 2006. This Order is to be made using the negative resolution procedure.
- (iv) **Purpose and intended effect of the legislation** Part 1 of the 1960 Act deals with the need for licensing of land upon which a caravan is stationed for the purpose of human habitation and land used in conjunction with land on which the caravan is stationed. Section 13 of the 1968 Act excepts from the definition of 'caravan' in the 1960 Act twin-unit structures designed or adapted for human habitation, which are composed of not more than two sections separately constructed and designed to be assembled on site by bolts, clamps or other devices, which when assembled are physically capable of being moved by road from one place to another and whose dimensions exceed specified dimensions. The purpose of the Order is to amend the maximum dimensions of caravans defined in the 1968 Act, in order to allow for the addition of cladding for insulation purposes. The current specifications, which are contained in the 1968 Act, have not been changed since the Act came into force. Problems have arisen as a consequence of cladding being added to caravans for insulation purposes and the addition of cladding has, in some instances, meant that a caravan's dimensions have exceeded the maximum allowed under the Act. If the dimensions in the Act are not changed, there would be problems for those

caravans which already have the cladding in place and now exceed the size dimensions. We would be disadvantaging caravan residents who wish to make their homes more energy efficient by the addition of cladding and would not be helping towards various Government energy targets.

- (v) **Implementation** This Instrument was made on 5 November 2007 and is intended to come into force on 30 November. Parallel legislation came into force in England on 1 October 2006.
- (vi) **Consultation** Consultation has taken place both within government and with stakeholders. Please refer to the Regulatory Impact Assessment below for further detail.

REGULATORY IMPACT ASSESSMENT

Options

1. The Preferred Option – Amend the dimensions in Section 13(2) of the 1968 Act as follows:-

- I. We propose to amend the definition of a caravan by altering the dimensions set out in section 13(2) of the Act as follows:
 - length (exclusive of any drawbar): 20 metres;
 - width: 6.8 metres; and
 - overall height of living accommodation (measured internally from the floor at the lowest level to the ceiling at the highest level): 3.05 metres.
- II. Additionally further consideration is being given to setting out in non-statutory guidance, our view that the measurements of length and width should be taken between the exterior faces of the external body walls, excluding non-habitable projecting windows (i.e. projecting windows that do not extend to floor level), and excluding projecting eaves and minor projections such as gutters, down-pipes, door canopies, sills, thresholds and drip rails. The amendment of the specified dimensions is proposed as it deals with the difficulties created by the external cladding of caravans by increasing the external dimensions for caravans specified in section 13 (2) of the Act. It also allows some extra contingency in case new issues are uncovered, in the coming years.
- III. There was wide support for this option during consultation as long as the guidance was sufficient to deal with worries about spacing between homes
- IV. There was some concern over the figures on financial savings for this option, and these have been revisited and amended downward from those initially proposed in the consultation document. These are shown in the summary table below.

ALTERNATIVE OPTIONS CONSIDERED

2. Option 1 – Do Nothing

- I. Only a small minority thought this was the correct way to move forward. There would be problems if we did nothing as some caravans may not be able to install the cladding without breaching the maximum dimensions currently in place. Additionally, some caravans already have the cladding installed and are in breach of the current legislation.
- II. Given the move towards more energy efficiency, doing nothing would cause problems as some products would have to be installed on the inside of caravans so as to not breach the current law. By doing nothing we will not be helping towards various Government energy targets and be disadvantaging caravan residents.

3. Option 2 – Remove the dimensions altogether

Again there was little support for this option.

This would require primary legislation to amend the 1968 Act. Although in theory this could be welcomed by manufacturers and possibly site owners, this would have significant problems with regard to environmental and planning concerns. In addition, there would be problems regarding transportation, as there is a limit on the length and width of a caravan under the Road Vehicles (Construction and Use) Regulations 1986. For the purposes of those Regulations, a caravan is treated as a trailer and must conform to the requirements set out in the guidance for that legislation. Removing the dimensions altogether, may make it impossible for larger units to be moved by road if they contravened these requirements. Also the caravan industry has been built around the dimensions in the 1968 Act, and to remove them totally could be detrimental and create an unstable market for established manufacturers.

4. COSTS AND BENEFITS

4.1 Sectors and groups affected

The following areas will be affected:

- Manufacturers of caravans
- Refurbishers
- Insurers
- Residents
- Park Owners
- Holiday site owners
- Local Authorities

4.2 Costs and Benefits Option 1 – Do Nothing

Economic Benefits – None
Economic Costs – Continuing high fuel bills

Environmental Benefits – None
Environmental Costs – Continued higher levels of emissions

Social Benefits – None
Social Costs – Disadvantaged position for 260,000 residents whose home would contravene the size dimension legislation if they insulated it by means of the addition of cladding.

4.3 Costs and Benefits Option 2 – Remove Dimensions Altogether

Economic Benefits – Would assist with energy saving by allowing the installation of cladding. We estimate savings on energy bills of an average of £120 per caravan, per year.
Economic Costs – Could lead to major costs to manufacturers, with new designs needed.

Environmental Benefits – Reduced emissions.
Environmental Costs – Environmental concerns arising from transportation of larger caravans by road and the visual aspect of sites seen as becoming less appealing.

Social Benefits – Larger Caravans, more storage and better quality of life from larger living space.
Social Costs – Visual aspect of sites becomes seen as less appealing.

4.4 Costs and Benefits Option 3 – Extend Measurements To 20M X 6.8M X 3.05M (Preferred Option)

Economic Benefits – Would assist with energy efficiency by allowing the installation of cladding. We estimate savings on energy bills of an average of £120 per home per year if cladding is installed. Manufacturers will save money in the long term as they will be able to install the cladding during construction.
Economic Costs – Initial costs to caravan owners and manufacturers – should be negligible as grants are available from local authority to meet the costs in putting the cladding on. In addition, the new British Standard, BS3632 also helps with standards for energy efficiency.

Environmental Benefits – Reduced emissions if cladding installed, and from reduction in need for more fuel. Keeping a maximum size means sites will not have their general character affected.
Environmental Costs – None.

Social Benefits – Reduced energy bills and better quality of living. Healthier residents due to better insulation.
Social Costs – None.

4.5 COMPETITION ASSESSMENT

The competition filter has been completed. This requires that policy makers consider the market that will be affected: i.e. the firms that compete against one another to sell the same or similar products or services.

No site owner owns more than 10% of the 1600+ residential parks in England and Wales, or the 3500+ holiday sites.

The costs of the order should not affect some firms more than others. The proposed legislation should not result in higher set-up or running costs for new firms than existing firms do not have to meet and the market is not characterised by rapid technological change.

If policy-makers answer 'yes' to fewer than half the questions asked in the filter, there is unlikely to be a negative competitive impact from the new order. Therefore no detailed competition assessment would be required.

None of the nine questions are answered in the affirmative for this market, so no detailed assessment will be required.

5. CONSULTATION

5.1 Within government

WAG, DCLG, DCMS, DEFRA, DFT, Scottish Executive, Small Business Service.

5.2 Public consultation

Some informal consultation has taken place with stakeholders. A twelve week formal consultation has taken place ("Amending the Definition of a Caravan" August 2005) and the stakeholders views have been taken into account to ensure that the proposed change is the correct option and implemented quickly and effectively. Among those consulted were:- all local authorities in England and Wales; British Holiday and Home Park Association; Chartered Institute of Environmental Health; Guild of Park Home Services; Gypsy and Traveller Law Reform Coalition; Independent Park Home Advisory Service; National Association for Park Home Residents; National Caravan Council; Park Home Legal Services and Park Home Resident Action Alliance. Taking account of respondents' recommendations, further consideration is being given to the issue of detailed non-statutory guidance to local authorities to ensure that they fairly implement the changes taking full account of local circumstances.

7. Post implementation review

This proposal amends the existing maximum dimensions of a caravan, to allow for the addition of cladding for insulation. Local authorities can continue to take enforcement action if the maximum dimensions are exceeded. Most site licences or planning permissions for sites contain a requirement that caravans on site must not exceed the maximum dimensions.

Local authorities will be responsible for any enforcement action taken against site owners for breaches of site licence or planning conditions, as they are now.

Monitoring will take place via communications with local authorities, trade and residents associations. Contact will also come via the All Party Parliamentary Group for the Welfare of Park Home Owners (for which we will liaise with the Department for Communities and Local Government). The use of the new dimensions will be monitored closely, and account taken of any impacts unforeseen at the time of the legislation being changed. The All Party Group for Park Homes will be a useful guide.

8. Summary

Following the period of public consultation, and having considered all the comments put forward by those who responded to the document, we are recommending that Option 3 (amend the dimensions in section 13(2) of the 1968 Act) is put forward. It is the most cost effective of all the proposals in terms of all the relevant costs and in keeping the dimensions of a caravan in line with all other relevant legislation.

Taking account of respondent's recommendations we have amended the diagram of where measurement is from and plan to issue detailed guidance to local authorities to ensure that they fairly implement the changes taking full account of local circumstances.

Option	Total cost per annum Economic, environmental, social	Total benefit per annum Economic, environmental, social
1 – DO NOTHING.	<ul style="list-style-type: none"> • Higher fuel bills. • Higher emissions. • Disadvantaged position for 260,000 residents and owners of holiday homes on 3,500 sites. 	None.
2 – REMOVE DIMENSIONS ALTOGETHER.	<ul style="list-style-type: none"> • £ Thousands to manufacturers to design new homes. • Visual aspects of sites deteriorate. 	<ul style="list-style-type: none"> • £120 per property per year. • Reduced emissions.

3 – EXTEND MEASUREMENTS TO 20MX 6.8M X 3.05M.	<ul style="list-style-type: none">• Minimal Initial cost of insulation.	<ul style="list-style-type: none">• £120 per property per year.• Reduced emissions.