

Holiday and Leisure Parks: Realising Vacant Pitches	13th March 2018
To: The Leisure and Development Committee For Decision	

Linkage to Council Strategy (2015-19)	
Strategic Themes	Contributing to Prosperity
Outcome	Maximise return on investment for Council assets
Lead Officer	Head of Tourism and Recreation
Cost: (If applicable)	N/A

The purpose of this report is to seek approval to use a standardised process regarding new occupation of vacant static caravan pitches.

Background

In December 2015, Council agreed to the commercial management of its 6 Holiday and Leisure Parks. As part of this approach, in May 2017 Council agreed to seek submissions from specialist operators in the static caravan sector to act as vendors for the sale and installation of new units at its parks. This has developed into a proposal to realise income from vacant pitches as outlined in this paper, subject to the Caravan's Act (Northern Ireland) 2011, and in line with National Caravan Council best practice.

Council manages 938 pitches for static holiday homes located at Juniper Hill, Carrick Dhu, Cushendun and Cushendall caravan parks. On an ongoing basis, a number of these pitches becomes vacant, either through occupiers leaving a park or the termination of licences. Officers would like to introduce a standardised process for advertising and securing tenants for these empty pitches. This process will present an opportunity to upgrade the quality of the stock and to generate new income.

Proposal

When a static pitch becomes vacant it will be offered to the public via the Council's website. Expressions of Interest from interested customers will be processed and they will be invited to submit a bid to install a new static unit on that pitch for a period of up to 12 years on a single Licence Agreement, and by renewal of that Licence thereafter.

The successful bidder will be provided with a list of Council Approved Distributors who satisfy the Council's requirements for the delivery and installation of static caravan units, and the customer is free to choose a unit that meets their requirements from any such distributor. The resulting Purchase Agreement will be between the customer and the distributor. (The Council therefore will have no responsibility concerning warranty). Each agreed distributor will have signed their agreement to pay £3,000 +Vat for a pre-owned unit or £5,500 +Vat to Council for each new unit they sell that is then installed on a Council park.

This proposal presents additional income opportunities for the Holiday and Leisure Parks through two new sources:

- (i) The price a customer is willing to pay to secure a pitch on a park;
- (ii) The fee agreed with a distributor who sells a static caravan unit to that customer.

If an existing occupier is the successful bidder, they will be allowed to move their existing unit onto the new pitch subject to the current internal movement fee of £250. They must however relinquish any licence agreement that relates to their previously occupied pitch and this pitch will therefore become vacant for advertising to new occupiers.

Recommendation

It is recommended that the Leisure & Development Committee approve the process as described to ensure that Council parks operate at full capacity and generate an improved return on investment.