

The Rt. Hon. Rushi Sunak, MP
The Chancellor of the Exchequer
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Dear Chancellor,

The National Caravan Council (the NCC) is the UK trade association representing the collective interests of the UK caravan industry. We represent the whole supply chain, which contributes in excess of £9.3bn to the domestic economy.

The UK caravan parks industry comprises 3,877 caravan parks and employs in excess of 171,000 people. There are over 250,000 privately owned holiday caravans on parks. The UK caravan parks network is comprised of 66 manufacturers, 34 distributors and 430 suppliers and service providers and welcomes 520,000 touring caravan and 228,000 motorhome owners.

Overall, the supply chain for the whole industry is made up of:

- 208 caravan manufacturers (all types touring caravans, motorhomes - including campervans - and holiday caravans and lodges) employing a total of 9,438 people
- 381 dealerships/distributors on caravan (all types) employing 5,392 people
- 647 suppliers many of which are dedicated to producing products for the caravan industry; they employ over 21,000 people.

Our industry fully supports the Government's decisions to protect the health of our nations, to stay at home and ultimately to save lives. Following the largely successful period of lockdown, we appreciate that Government's next move is to create a safe route to lead businesses and consumers out of the current restrictions into a new norm.

That is why observing the **strict social distancing and hygiene measures** is our number one priority and why we are urging the Government to ensure that the UK caravan industry **is included in the first phase of the re-opening strategy**.

A seasonal industry

Our industry is totally reliant on the tourism season which runs between Easter and Halloween – the 2020 season has yet to open. It is vital that the Government recognise that, linked to the season is:

1. a strong customer base for the many small and medium businesses within the rural and coastal communities served by our national network of caravan parks
2. a significant number of manufacturers and their supplier networks which in turn are *totally reliant* upon the ability of the parks to trade and
3. a growing network of dealerships unable to trade or fulfil orders for leisure vehicles (touring caravans and motorhomes).

So much of the season is already lost and the harsh reality is that any sales which can be salvaged from the remaining summer months (assuming parks and dealerships can open before July) can be largely fulfilled by stock already within the supply chain network. Therefore, there will be little or no demand for products to go through on order for the manufacturers to build between September to March.

The longer the full lockdown provisions remain in place, the more our entire supply chain is at real risk of breaking, with the loss of many companies across the country (see Annex 1).

Industry recognition

It is critical that government recognises this industry in its own right. Whilst we are seen as a significant contributor to UK domestic tourism, we believe it is wrong to align our parks accommodation with that of hotels, hostels and B&Bs. We are an outdoor industry with spacious rural and seaside parks hosting up to 95 percent of privately-owned holiday caravans and leisure vehicles. In respect of the social distancing provisions, our offering is completely different and arguably much more capable of providing a safer environment for owners and their families than almost any other kind of holiday accommodation.

Equally, the vast majority of caravan and motorhome dealerships (unlike other retailers such as shops and department stores) display their products outside and the vehicles are spaced well apart to allow access to the habitation area via steps – so social distancing guidance for consumers can be easily met, allowing them to view the products safely.

Governments protocols

We want to stress that our industry can meet and contribute to the three key elements that Government is focusing on as part of **easing the lockdown restrictions**; strict health and safety protocols for businesses to adhere to; providing safe, hygienic and spacious environments to relieve the mental health and wellbeing issues of those in lockdown; and ultimately to *stem the risk of thousands of leisure and tourism businesses failing*.

Health and safety safeguards

Parks - social distancing measures

- Caravan parks, by virtue of their planning permission and standards laid out in law, provide caravan pitches with a minimum of 5 metres (holiday caravans) and 6 metres (motorhome/touring caravan) separation distances between units. This makes them ideally suited for owners to easily achieve active social distancing measures, while giving owners the opportunity to get back out into the open air, minimising the risk of spreading the COVID-19 virus outdoors
- The average park size in the UK is 24.3 acres with 160 pitches – the outdoor environment provides added benefits for mental and physical health.
- Holiday caravans, motorhomes and touring caravans are fully self-contained with bathroom/shower rooms and cooking facilities. Caravan owners usually park their car adjacent to the caravan (N/A for motorhomes).
- Unlike other forms of holiday accommodation, there are no shared hallways, bathrooms, lifts or stairs to access or shared air-conditioning.
- The majority of holiday caravan/lodge owners live within one to two hours' drive from their holiday caravan.

- For leisure vehicle, 59% of owners tend to travel less than 100 miles for a 1-3 night break and 63% of owners travel less than 200 miles for a 4 or more nights break¹
- The industry has compiled a **health and safety protocol** to enforce social distancing personal and employee hygiene to deliver a safe environment for caravan owners to return to – see Annex 2.

Dealerships - social distancing measures

- Holiday caravans, motorhomes and touring caravans are, in the vast majority of cases, displayed outside in a forecourt arrangement, with units spaced well apart to allow consumers the ability to easily enter and view the products. This enables simple processes to be initiated to control the social distancing measures.
- Dealership footfall is nothing like that of a retail shop! Typically, a medium sized leisure vehicle dealership will see approximately 30 couples looking to browse on the busiest day (Saturday), again keeping a reasonable limit on social interactions

Wellbeing and mental health

In a new research study commissioned by the NCC²

- leisure vehicle/caravan holiday home vacations are seen as more 'socially acceptable'.
- Spending time with family, going out, and holidaying are the most looked forward to 'post lockdown' activities/

In an earlier research study³ into the psychological and social benefits of camping and caravanning, it:

- promotes family cohesion, satisfaction, togetherness and fulfilment
- encourages rest, relaxation and restoration, facilitates children's learning and has a positive effect on behaviour

In the 2019 UKCCA Economic Benefit Report on Holiday Parks and Campsites⁴

- 90% feel more relaxed on a park
- 86% feel less stressed
- 88% are happier.

Protecting businesses and the economy

The consequence of Government's decision to close caravan parks and dealerships has meant that manufacturers (all types) in our industry and their network of dedicated suppliers have had to close their factories simply because there are no new orders. The projections for manufacturers below show the market for all three product sectors will reach a new low well below that suffered in the 2008/09 Global Financial Crisis (credit crunch). Even with the predicted resurgence of the great British holiday, it is anticipated it will take almost 5 years for the market to recover to pre-Covid-19 market levels (2019).

The summary below is based on the low recovery scenario:

Holiday caravans - a market decline of 56% from the year-end position for 2019

Touring caravans - a market decline of 49% from the year-end position for 2019

Motorhomes - a market decline of 55% from the year-end position for 2019.

¹ Caravan & Motorhome Club Members' survey 2017

² The NCC worked with Populus, e www.populus.co.uk/polls). They interviewed a random sample of 2,050 adults online between 22 April and 23 April 2020.

³ The Real Richness Report – Camping and Caravanning Club 2012 www.camapingnadcaravanning.co.uk

⁴ Pitching the Value 2019 - UK Caravan and Camping Alliance 2019 <http://ukcca.org.uk>

The NCC with the support of ABM Advisory Ltd modelled some of the economic impacts of COVID-19 to the industry sectors based on different scenarios (see Annex 3).

Consequently:

- Many thousands of employees currently furloughed will be either made redundant or lose their job through company failures.
- The number of jobs at immediate risk is now estimated to be as high as 40% of the total jobs. The economic and social impact will be directly felt in areas that are already under tremendous economic pressure and with high levels of deprivation.
- The supply chain is holding an enormous amount of as yet unsold 2020 models in stock, as the selling season was just starting in March – it is unlikely that many sales will be salvageable with the fragile economic situation; the majority will lose their 2020 business income in totality and many consumers will be denied the opportunity to purchase a new leisure vehicle and contribute to domestic tourism.
- Manufacturers and suppliers have been forced to keep their factory doors closed for weeks and **possibly permanently** if there is no support from government over the 2020/2021 autumn and winter period.
- Our loyal customer base of 2.4 million people needs to be confident that the caravan sector and the supply chain will still be in business when the restrictions are fully relaxed.

What is industry calling for?

As the Government decides how to safely reopen parts of the economy, we want to set out how we believe our sectors can be part of this strategy by outlining a phased reopening of our parks and dealerships while adhering to strict safety guidance.

Caravan parks*

Phase 1 - Parks opened to only those owning their own caravan e.g. no hire/rental thereby limiting short term visitors and leisure travellers from using caravan parks. Obviously, those parks with common facilities such as amenity blocks, bars restaurants would be required to keep these closed.

Phase 2 - Parks allowed to take holiday rental bookings and holiday makers.

Phase 3 - In line with the wider hospitality sector, the opening of the common facilities and amenities.

In addition, we **urge Government to also consider:**

- **Introducing partial furloughing of existing employees** allowing access to the skills they need to survive during the phased approach we propose above.

**Note: The parks industry has created guidelines to deal with COVID-19 to ensure as far as is practically possible that the park environment will be both safe for both caravan owners and staff*

Dealerships

Dealerships/distributors have large outside display areas to host their stock for visitors to view safely and in accordance with social distancing measures. Only a small handful of dealerships have indoor showrooms, which display a very limited range supplemented by large outdoor forecourts.

This is in stark contrast to other retail outlets and the network of car dealerships, where many of the new vehicles are viewed indoors. It is understood that car dealerships may be one of the retail sectors to benefit from an early re-opening.

- **We ask that our caravan dealerships are permitted to re-open now and the Job Retention Scheme (CJRS) timeframe is extended to give extra flexibility to help businesses through the lean autumn and winter months**

Manufacturers and suppliers

- **Extend the Job Retention Scheme (CJRS) timeframe** to:
 - continue to provide a lifeline to manufacturers and suppliers who as part of this seasonal industry are facing an autumn and winter period with little or no income
 - help them to retain key, skilled employees who will otherwise be lost to mass redundancy.
- **Government to explore introducing a 'caravan scrappage scheme'** to encourage the replacement of old units (holiday caravans, touring caravans and motorhomes) with new more energy efficient models to help boost demand
- **Extend the Business Rates Relief Scheme** to include all holiday caravan manufacturers
- **Provide ongoing support for the entire supply chain** as the country reopens, and the 'new normal' takes full effect, until spring 2021

We are pleading for the survival of the entire supply chain that is an important contributor to the both UK and local domestic tourism economies, provides a crucial lifeline to local businesses in rural and seaside areas and offers employment to thousands of workers, some in the most deprived areas of the UK.

We would very much welcome an urgent conversation with you to discuss how you might be able to support us with our phased approach to re-opening our industry as the summer is fast approaching.

Yours sincerely,



JOHN LALLY
Director General

Annex 1, 2,3 and infographic