

Written evidence submitted by the British Holiday & Home Parks Association (ERB44)

1. The British Holiday & Home Parks Association (BH&HPA) is the UK national trade body representing owners and managers of caravan holiday, touring, residential and chalet parks and campsites for tents. As of November 2024, there are 1,677 park businesses operating 2,993 parks providing 386,677 pitches within BH&HPA membership.
2. The parks sector has a long history of offering careers for those seeking to work in the great outdoors and is often the key employer in many coastal and rural communities.

'Our team come from a broad range of backgrounds and industries but are united by their love of working outdoors and in a holiday environment, which provides opportunity for excellent mental wellbeing and a great work-life balance. We'd love to raise awareness of the benefits and job security our sector can offer through employment in rural and coastal areas.' – BH&HPA member

Holiday and Touring Parks

3. Findings from the [UKCCA Economic Impact Report](#) published in February 2024 demonstrated that visitor expenditure generated by holiday parks and campsites in the UK contributes £7.2 billion in Gross Added Value to the UK economy and provides 226,745 (FTE) jobs.
4. The majority of holiday parks are located in rural and coastal communities across the UK. With many high streets facing decline, holiday parks help sustain local economies by bringing vital tourism spend to some of the UK's most economically challenged areas.

Residential Parks

5. Residential parks offer a unique form of housing particularly popular among retirees or those looking for a simpler, more community-oriented living environment. There are approximately 85,000 park homes in the UK on 2,000 residential parks.
6. Residential parks provide homes in attractive green settings which offer ideal single-storey accommodation for older living, in areas where there is often a shortage of bricks and mortar homes. They also foster a strong sense of community among residents.

Impact of the Employment Rights Bill on the Parks Sector

7. The Employment Rights Bill 2024 introduces various protections and rights that could create several challenges for the parks sector, which often have atypical employment arrangements due to high number of seasonal and part-time workers, many of whom appreciate the flexibility of a zero-hours contract or having an 'on-call' working arrangement with the park.

Some of the key challenges include:

Zero-Hours Contract Limitations

8. Holiday parks often use zero-hours contracts to handle fluctuating guest numbers and staffing needs – the flexibility offers benefits to both the park operator and employees.

Under the new Bill, workers with zero-hours contracts must be offered a contract that reflects the hours they regularly work over a reference period. Park staff will require reasonable notice for shift changes, with compensation mandated for late cancellations, which will complicate scheduling during peak seasons when guest flow on holiday parks is unpredictable. Given the nature of the holiday parks business, there are occasions when there are last-minute customer cancellations which cannot be foreseen; the holiday park operator may lose the revenue from a cancelled holiday booking as well as having to pay compensation to an employee who is no longer needed at the last minute. To provide a workable solution for both the holiday park operator and the employee, the reference period could be based on annualised hours and should reflect seasonal fluctuations in work.

9. By having to commit to a set working hours schedule, this would result in a rise in parks' payroll costs. It is understood that while zero-hours contracts would still be permitted, parks will need to give more notice for shift changes and provide compensation for last-minute cancellations. As explained above, holiday parks often have to deal with last-minute customer cancellations (often due to weather conditions) which are beyond their control. Again annualised hours will help mitigate the challenges park operators face when recruiting staff; by offering annualised hours this will give employees a regular monthly wage to match their commitments.
10. Holiday and touring parks operate in an unpredictable environment and it would be impossible in some circumstances to run a viable business if employees were guaranteed a minimum number of hours per week when the level of trade is not substantial enough to cover staffing costs.

'As a business, we would love to fully staff our F&B and shop facilities to the max and have the staff busy from Easter - October half-term but the British weather doesn't facilitate that and nor do our customers if they get offered cheap last minute deals to "Benny", Majorca and Turkey or would rather stay at home in Sheffield than spend a cold, wet muddy long weekend in Skegness.' – BH&HPA member

11. Holiday park businesses may also provide on-site cafés and bars which given rising energy costs, wages and food costs are sometimes run at a loss. A BH&HPA member has contacted the association to say that if they are no longer able to run a flexible workforce, their costs would spiral out of control and they may have to close the business thereby putting jobs at risk. Trade in such facilities can be very weather dependent with the number of customers fluctuating significantly.

'Our café's trade can vary between £300 - £3000 in a day and sometimes there is no way of predicting the level of sales we will get. We need 7 to 8 staff for a £3000 and arguably 2-3 for a £300 day.' – BH&HPA member

12. Holiday park operators are already facing increased employer National Insurance Contributions (NICs) which will put further pressure on already marginal hospitality businesses.
13. Currently the Bill does not distinguish between where a worker is contractually *required* to be available to work a shift and situations where this is merely a *request* and the employee is free to refuse. In essence the proposals mandate reasonable notice even in

situations where both employer and worker would be content with a more *ad hoc* arrangement, potentially to the detriment of both.

14. There are fears that unless the Government makes a substantial gesture in respect of the hospitality and leisure trade, a large number of venues are going to significantly reduce opening hours or close altogether across the UK. This is likely to particularly affect coastal resorts, where the leisure and hospitality industry is the main employer.

Day-One Employment Rights

15. The Bill mandates that employees have protection against unfair dismissal from their first day, removing the two-year qualifying period. While this protects workers, it adds risk particularly for holiday parks that employ seasonal workers for the high season who may not meet performance standards. As seasonal workers would be entitled to unfair dismissal protections immediately this could potentially lead to increasing employment tribunal claims if dismissals are not carefully managed.
16. Some BH&HPA members have stated that they now do not want to take the risk of employing new staff who may turn out to be unsuitable and will therefore not be recruiting any additional staff. Other members are considering extending their probationary period from six months to longer which will result in some fixed-term contract employees being on permanent probation for their whole employment period. These employees may feel that they have no job security. It is noted that currently a statutory probationary period of between three and nine months is being suggested; a longer probationary period would be welcomed in order to ensure that the right recruitment decision has been taken.

'The imposition of "Day One Rights" would make me cautious about taking on a new employee who was unknown to me or to other members of the team. Clearly, this would have an impact on the diversity of the team and deny the opportunity to someone to prove their potential.' – BH&HPA member

17. Some parks operators may be more cautious about offering full-time employment – for example, rather than offering a 40-hour contract, the business may start with a 20-hour contract to see if the relationship with the new starter suits both sides. This of course, offers less security for the employee and may not meet the needs of the business, however, there is a greater risk of the costs involved if an employee proves unsuitable for the position.

Increased Employer Costs

18. With the increase in employers' National Insurance Contributions (NICs) and the rise in the National Minimum Wage, some holiday parks, who have always taken a pride in taking on younger people (18/19 years of age) without work experience, have now said that they will no longer be able to afford to do this given the time and costs of training younger workers on a higher wage.
19. With wage costs increasing more quickly than revenue, holiday parks may look towards using more agency staff as opposed to offering employment opportunities, with concerns that this may result in *'a poorer customer experience, brand damage, and fewer repeat customers'* – BH&HPA member.

20. Holiday parks may also take advantage of cost savings associated with the use of AI such as contactless check-in, robot waiting staff in restaurants, which will result in job losses.

'The creation of jobs within our own business will ultimately reduce, and we will look to use innovative technology to replace team members. This will lead to a rise in unemployment in our local area and also the industry as a whole.' – BH&HPA member

21. Employers may also be forced to review staff benefit policies in order to save costs which could lead to low staff morale and have a negative effect on staff retention.
22. Small, family-run businesses may need to engage the services of employment specialists for example to calculate holiday pay alongside flexible working, which will again increase operational costs. With less money to invest in the business due to spiralling operational costs, many smaller businesses may no longer be viable.

Flexible Working as Default

23. Flexible working requests will be allowed from day one, with holiday parks needing justifiable reasons to decline these requests. Park operators may risk having to defend a Tribunal claim if an employee disagrees with a park's decision. This may be challenging, especially in roles that require physical presence, such as maintenance and guest services. Parks may need to adapt operationally or risk legal challenges for declined requests.

Statutory Sick Pay Changes

24. With the lower earnings limit removed as an eligibility requirement for Statutory Sick Pay (SSP) employees under this limit will become eligible for SSP (but not at the full rate) starting from the first day of illness; park businesses will face increased costs and administration. This would impact holiday parks in particular during the peak season when staff absences would have a negative impact on the service offered to customers. This change will mean that park businesses will need to spend time reviewing their absentee policies and preparing for higher sick leave-related expenses. Park operators may also need to consider the cost of medical assessments to determine fitness for work when dealing with members of staff who are regularly sick.

'If the calculations around SSP were to be strengthened, the government should absorb this cost and allow businesses to be able to claim back the cost of SSP as a deduction against our monthly P32 liability.' – BH&HPA member

25. Removing the current three-day waiting period for SSP could result in more short-term sick days which will put pressure on the remaining lean workforce.

Conclusion

26. There is a danger that many small, family-run holiday parks in particular will suffer at the expense of improving labour conditions for individuals. This could ultimately lead to these businesses becoming insolvent or choosing to employ fewer staff; subsequently

increasing unemployment levels in rural and coastal communities, many of which are situated in deprived areasⁱ.

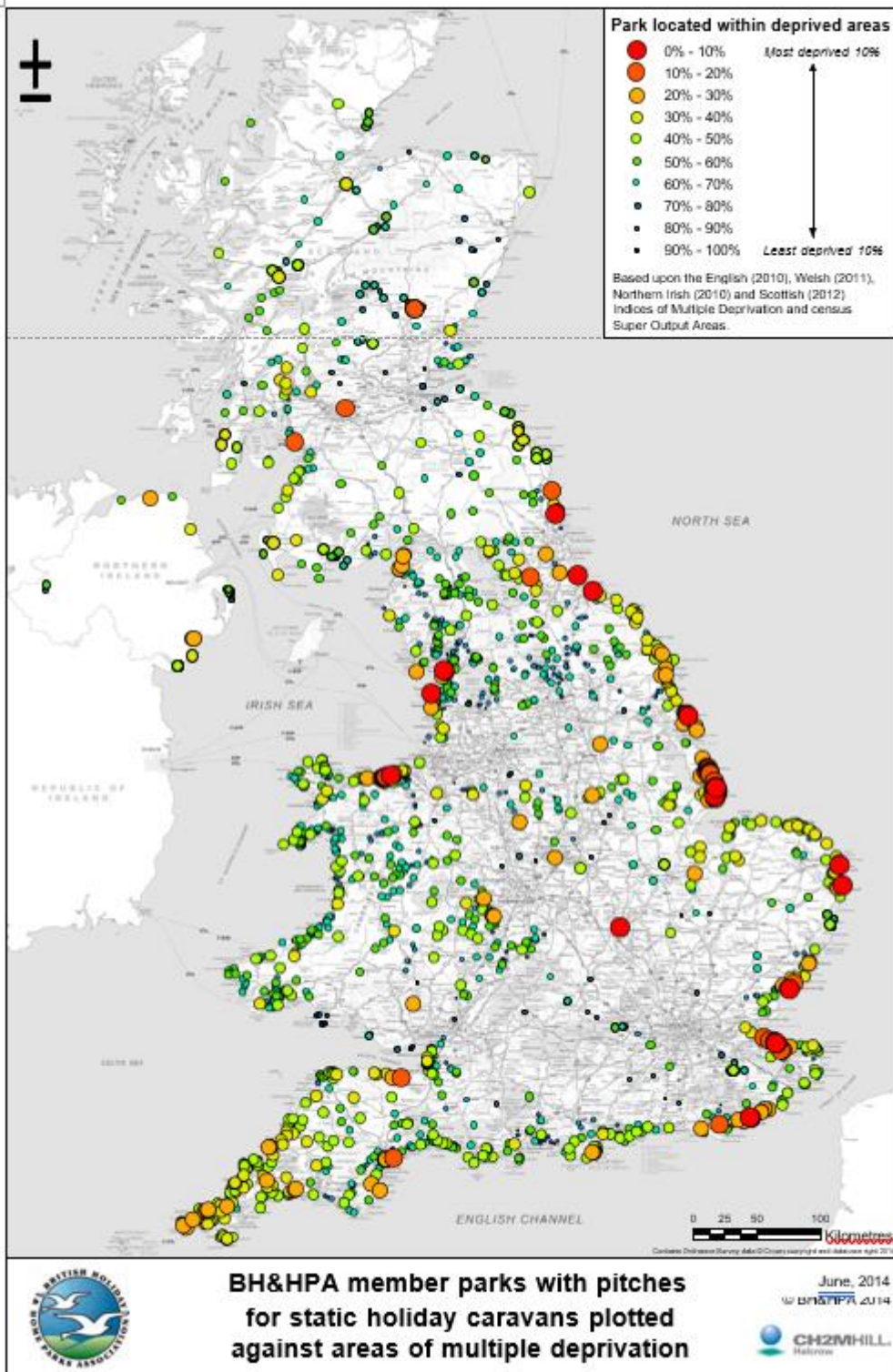
27. Many of BH&HPA's concerns about the impact of the Bill's proposals on SMEs are also borne out by Regulatory Policy Committee's (RPC) opinionⁱⁱ that at least eight of the 23 individual Impact Assessments (IAs) are 'not fit for purpose'.

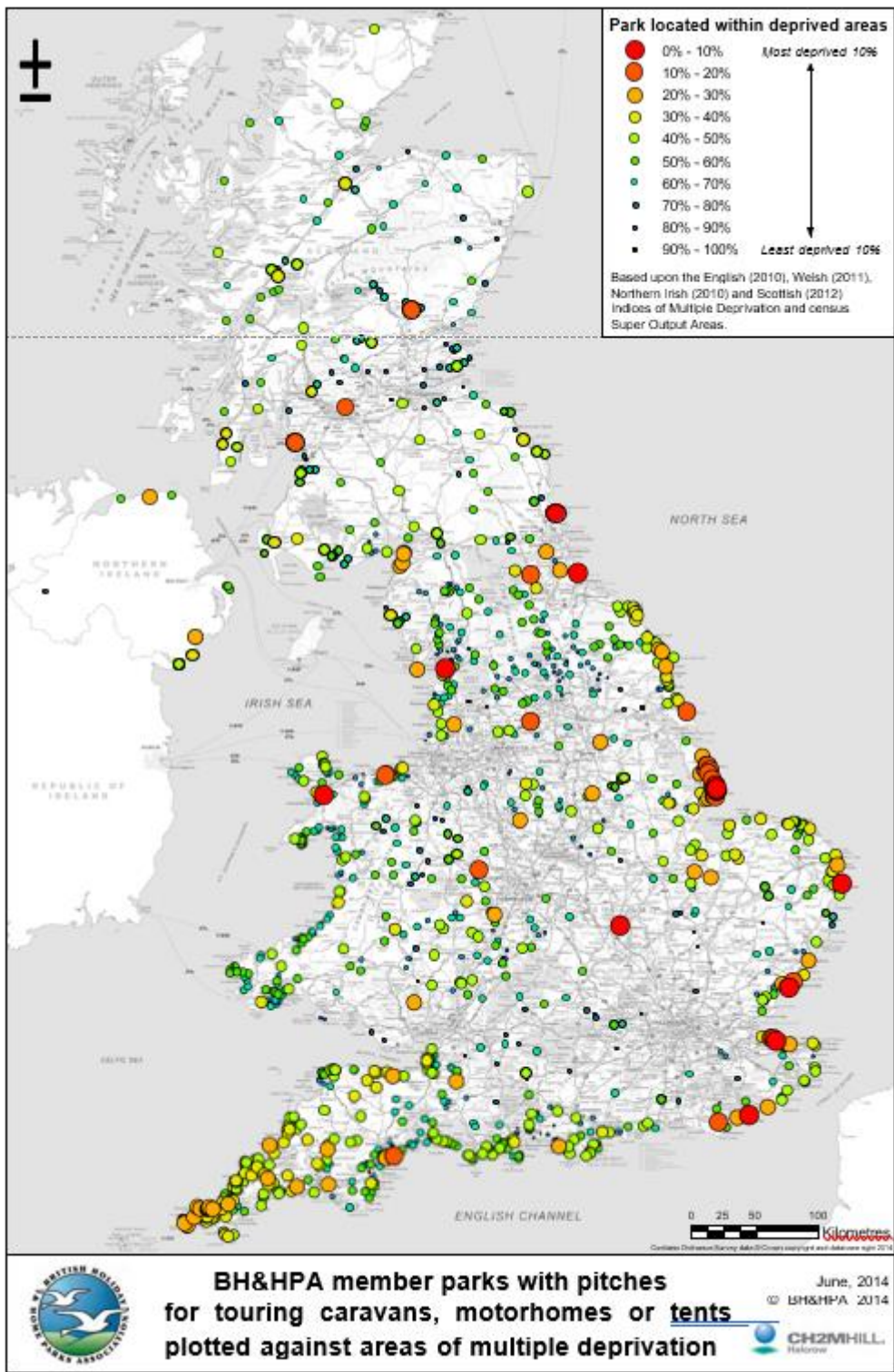
'Given the number and reach of the measures, it would be proportionate to undertake labour market and broader macroeconomic analysis, to understand the overall impact on employment, wages and output, and particularly, the pass-through of employer costs to employees. The eight individual IAs and the summary IA need to provide further analysis and evidence in relation to the rationale for intervention, identification of options (including impacts on small and microbusinesses) and/or justification for the preferred way forward.' – RPC opinion

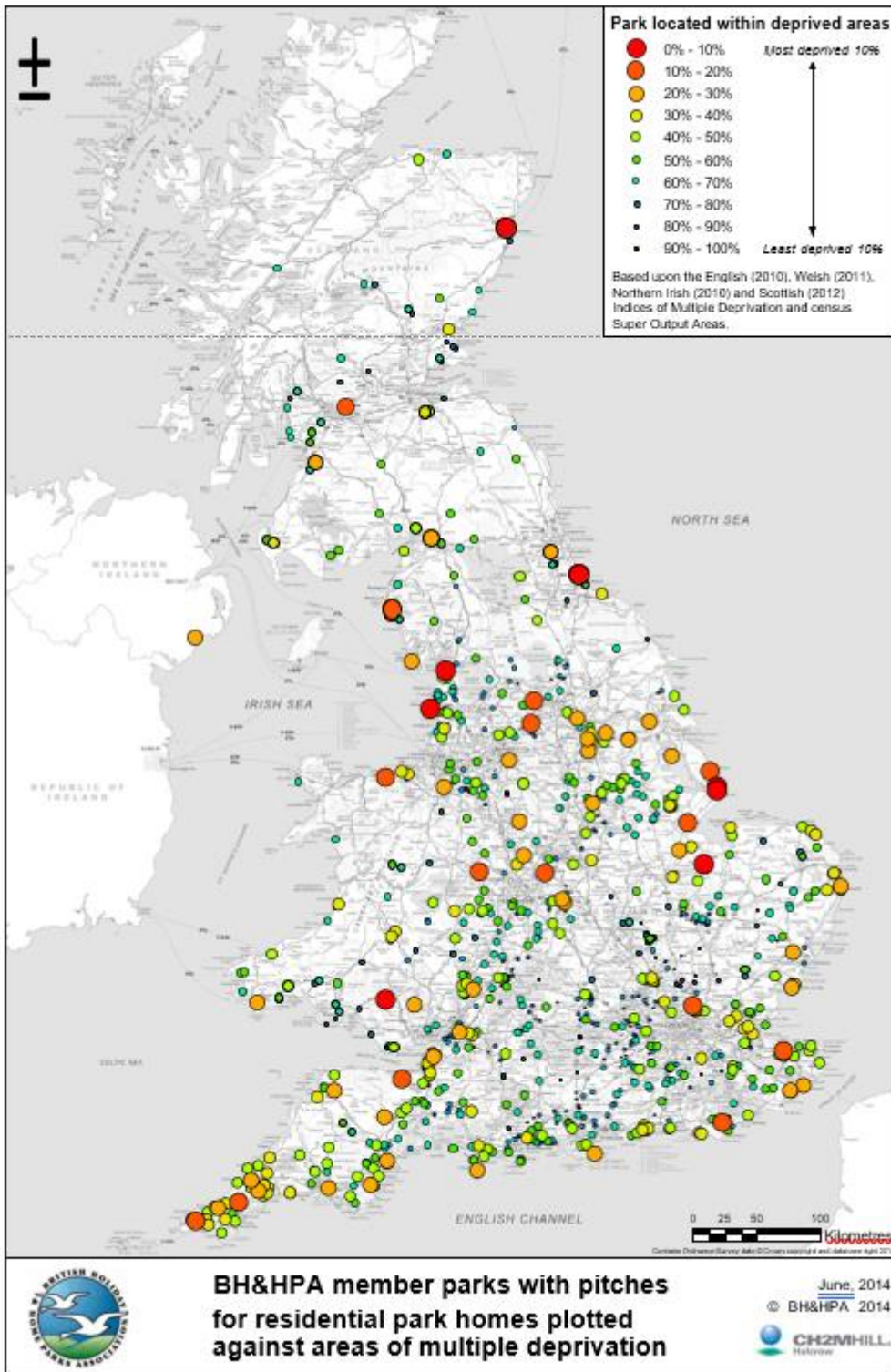
28. Given the atypical nature of the parks sector, BH&HPA would welcome the opportunity to take part in further discussions and thank the Business and Trade Committee for the opportunity to contribute further towards the Call for Evidence.

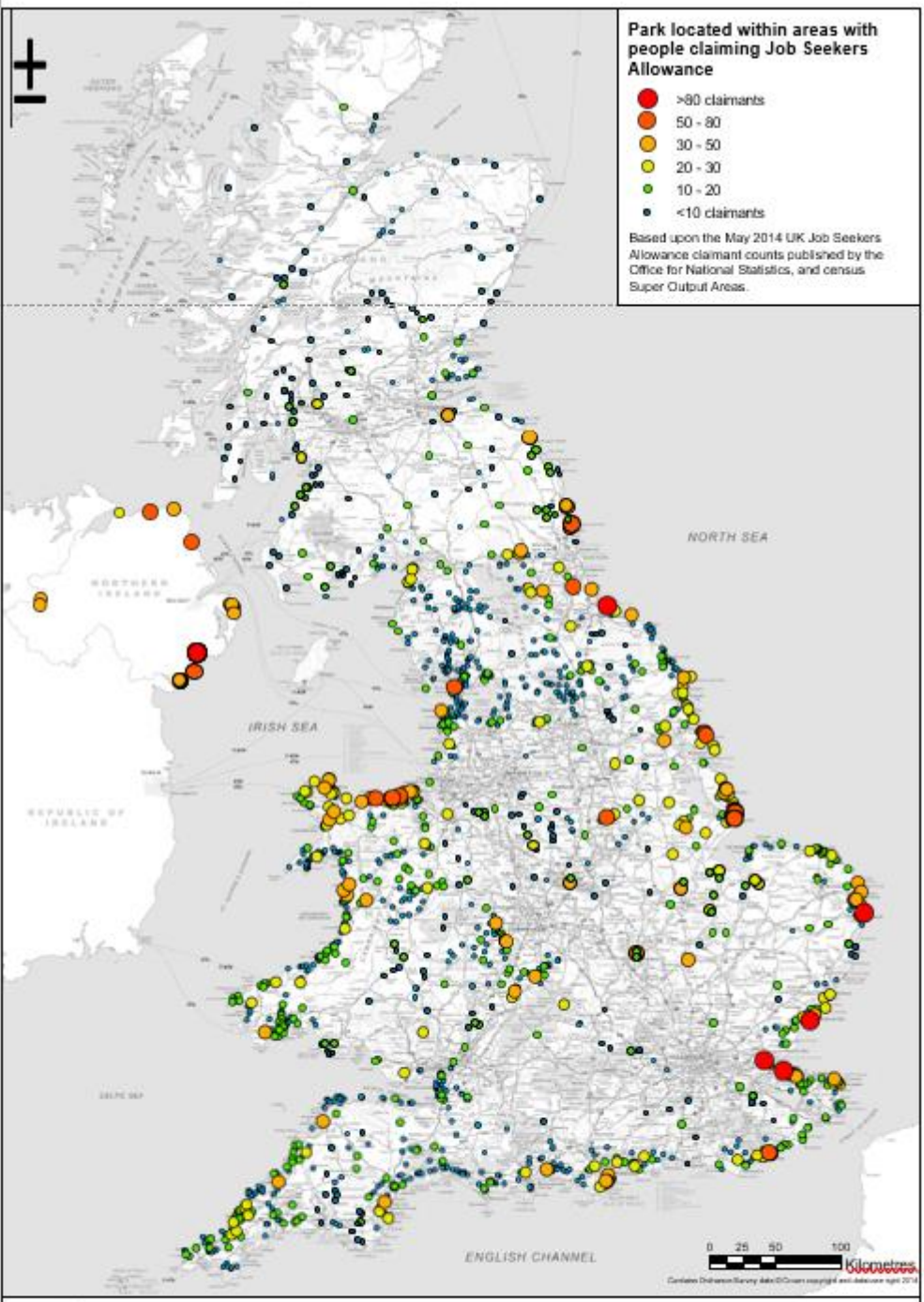
ⁱ See appendices below for correlation between park locations and areas of deprivation/adult unemployment

ⁱⁱ Source: <https://www.gov.uk/government/publications/employment-rights-bill-rpc-opinion-red-rated>





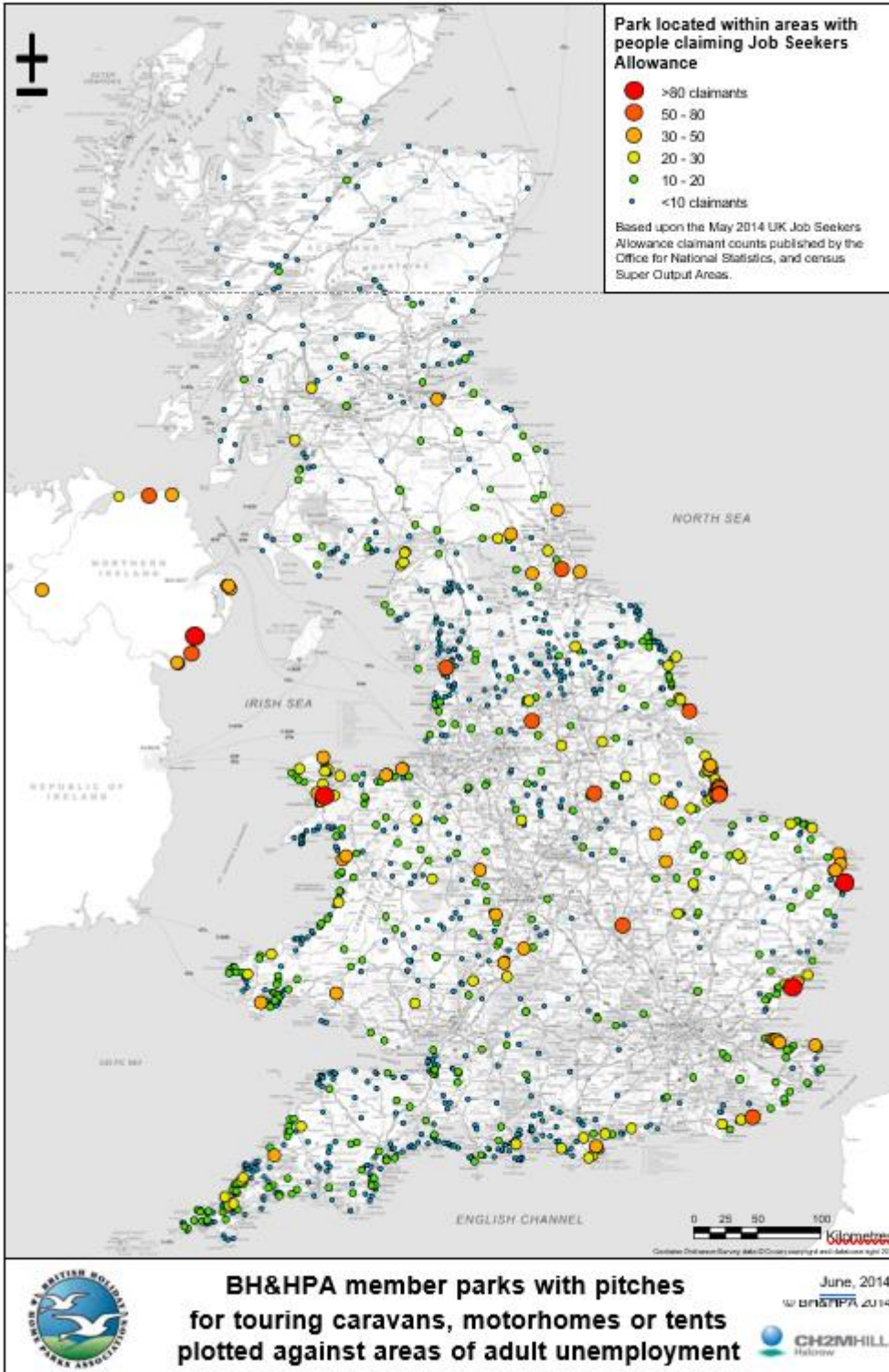


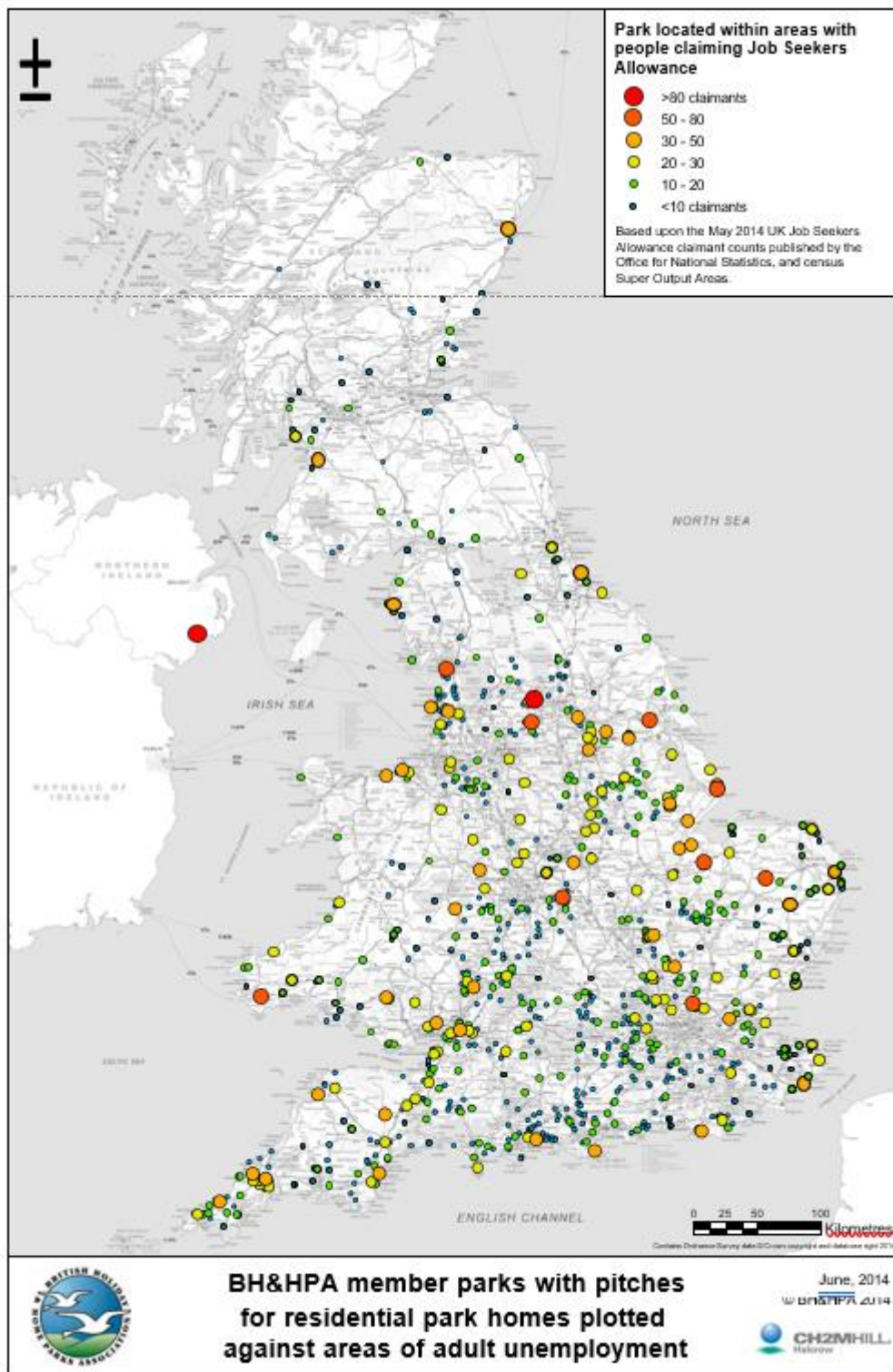


BH&HPA member parks with pitches for static holiday caravans plotted against areas of adult unemployment

June, 2014
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