

BAY VIEW CARAVAN OWNERS' ASSOCIATION
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Text of email sent to members on 28th April 2014

From: **Phil Davey** <phildavey74@gmail.com>
Date: 28 April 2014 08:13
Subject: Owner Update
To:

Dear Members,

Owners had big expectations for 2014 following the positive progress made with SBV in 2013 culminating in the new licence. This year started well with the Fee increase being in line with the terms of the new licence. Things then took a sudden dive with the issue of "new park rules" and subletting requirements which have not been discussed with owners as required in the new licence.

This note covers this and other issues.

Complying with the new licence

In the last few months at least one owner has been disconnected following a dispute with the Park Owner.

Given the delicacy of the situation it is important that owners know their responsibilities and rights under their licence.

There are three main areas where the resolution of disputes is mentioned.

Section 3.(c) refers to the potential adding of interest to unpaid invoices, and spells out the basis of calculation (4% per annum over base rate). No period of lateness is defined but owners should ensure prompt payment to avoid seeing interest being added.

Section 14. refers to the involvement of a jointly agreed Independent Surveyor or arbitrator to help resolve issues. This could be a lengthy process.

Section 10. refers to two types of dispute which could lead to licence termination-

- One which is not capable of being remedied
- One which is capable of being remedied

It is hard to actually imagine one which is not capable of being remedied. Even if an owner is convicted of a crime which would preclude them from ownership, this can be resolved by the owner disposing of the caravan by selling it. Selling can take some time and so this would suggest a duty of patience on the Park Owner. The term "reasonable notice" is used in the licence and should take into consideration the nature of the breach and how long it may take to remedy.

Where a dispute can be remedied, the Park Owner can claim that the owner is in breach of the licence and give them a reasonable time to remedy. If the owner does not comply within this reasonable time, the Park Owner may write to the owner to give 30 days notice to remove their caravan. Again, resolution can take time and the Park Owner is allowed to add interest to outstanding invoices to compensate for late payment. This provides the Park Owner with some financial assurance while it exercises the duty of patience for the reasonable period of time which a dispute needs to be remedied.

There is nowhere within the licence terms where the park owner is allowed to disconnect the caravan as, for example, a penalty for non-payment of accounts. (The exception is obviously at the point when a caravan is to be removed from the park.)

Disconnecting a caravan for any other reason goes beyond the processes set out within the licence and would therefore be a breach of the licence terms by the Park Owner. Of course this breach can be remedied by the Park Owner promptly reconnecting the owner without charge.

The basis of recourse for the Park Owner is clearly laid out in the licence, and this is the process which should be followed.

Rules

The introduction of new Park Rules without discussion and agreement cannot be used as a means to force significant changes in the terms contained within the licence which is ultimately the legal agreement (contract) between owner and Park Owner. Such major changes would need to be discussed and agreed and witnessed by further signature i.e. a formal change to the licence. Park Rules should be as the name implies, rules which help with the safe running of the park (conduct and practice) and which are too detailed and minor to be held within the licence e.g. washing lines, driving speeds, the use of roller-skates etc. Any changes to these must also be discussed with owners before they are implemented. Rules need to be practical, reasonable and acceptable.

The Owners' Association is working closely with NACO who have been in contact with management at SBV so that appropriate discussion can take place with regard to any rules changes etc.

It is hoped that this summary will help owners to understand their responsibilities and rights and enable them to communicate appropriately with the Park Owner.