



National Traveller  
**mabs**  
Money Advice & Budgeting Service

# PROPOSAL FOR A NATIONAL CARAVAN RENTAL SCHEME

THE CASE FOR AN ALTERNATIVE





# CONTENTS

<b>Introduction</b>	<b>2</b>
<b>The case for a National Caravan Rental Scheme</b>	<b>3</b>
Critique of existing schemes	3
The legal framework for the operation of a Caravan Rental Scheme	3
Addressing the concerns of local authorities	4
Preference for standard housing.	4
Rent payments	4
Lifespan of homes	4
Insurance	5
Maintenance	5
<b>Operation of a National Caravan Rental Scheme</b>	<b>6</b>
Eligibility for scheme	6
Procurement of homes for a National Caravan Rental Scheme	6
Insurance	6
Connection to services	7
Maintenance	7
Tenancy agreements.	7
<b>Conclusion</b>	<b>8</b>



## INTRODUCTION

This document outlines the case for and provision of a framework for a Caravan Rental Scheme for Travellers. National Traveller MABS is proposing this framework as an additional scheme to support Traveller families accessing a mobile home and not as a replacement to the National Caravan Loan Scheme. The existing system for providing Traveller halting site accommodation does not include the provision for rent of trailers/caravans/mobile homes on the site. The law provides for the rental of halting site bays. The law also provides for a National Caravan Loan Scheme which is available through local authorities. Caravans purchased by families either from their own means or through a loan scheme can be sited on the bay. This system as a form of Traveller specific accommodation has failed many generations of Traveller families. It does not take into account the difficulties for Traveller families having to provide their own caravan/trailer. For many years National Traveller MABS has been engaged with families trying to finance the purchase of a caravan/mobile home. Under the existing systems, families cannot afford to purchase good quality energy efficient homes. They have had to take on the burden of unsustainable debt, as the vast majority of families are reliant on social welfare. Homes purchased either by families

from their own means or through the existing loan schemes are not energy efficient and lead to higher energy bills, self-disconnection and also have sustained implications for mental and physical health. Our 2019 study into energy poverty amongst Travellers living in mobile homes found that 77% of families were in energy poverty, spending on average €108 per week on energy or 26% of income.<sup>1</sup>

National Traveller MABS has been engaged in supporting Traveller families around accommodation related issues since the late 1990's. We have long supported families who needed to secure a mobile home. In some cases this was through the Caravan Loan Schemes in local authorities. We have also supported a number of loan guarantee schemes for the purpose of purchasing caravans/mobile homes. Our conclusion is that families should have a choice to rent a caravan/mobile home at an affordable rate from local authorities in addition to the current option to buy. This gives Travellers the same options as families living in standard local authority rented accommodation, and allows families make a choice as to which option is most affordable and would best suit their needs.

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<sup>1</sup> Stamp, S. Kearns, M. (2019). *Accommodating Ethnicity, Addressing Energy Poverty Among Travellers Living in Mobile Homes and Trailers, An Exploratory Study*. Dublin. National Traveller MABS.



# THE CASE FOR A NATIONAL CARAVAN RENTAL SCHEME

## Critique of existing schemes

There are two schemes that enable the purchase of caravans/mobiles for Travellers - The National Caravan Loan Scheme and the scheme for Funding for Emergency Replacement Mobile Caravans. The National Caravan Loan Scheme offers loans to Travellers to purchase their home. There are no mandatory standards associated with this scheme either for build quality or energy efficiency. There are a number of well documented issues with this scheme, in terms of the purchasing power of the loans available, the lack of mandatory energy or building standards, the lack of guidance for Traveller purchasers, and the issue of the unit expiring before the loan is fully paid.<sup>2</sup> There is a fundamental issue that Traveller families who choose to live in this form of Traveller specific accommodation have no choice but to borrow to finance their home whether this is a financially sound decision or not. While the Pilot Preferential Caravan Loan Scheme sought to address some of these issues, the fundamental issue of expecting families in poverty and on low income to enter into a loan agreement for multiples of their income still remains. The Pilot scheme gave guidance and advice on energy standards to Traveller purchases, but there were no mandatory standards in the scheme nor did the loan amount enable the purchase of a home at BS 3632 2015 standard as our research finds that these start at wholesale price of €60,000<sup>3</sup>.

The Replacement Scheme is available in the case of emergencies. The scheme is open to local authorities who can apply for funding to the Department of Housing Local Government and Heritage for up to 50% of the cost of replacing a mobile under emergency circumstances. The local authority contributes the other 50%. This scheme states that demountables

or chalets purchased under this scheme should comply with BS 3632:2015 standard.<sup>4</sup> In this instance procurement of the mobile is the responsibility of the local authority. Local authorities who purchase mobiles under this scheme generally, rent these mobiles to families. From a financial inclusion perspective this scheme offers more protection to families in that they do not have to navigate the private market and are not liable to make loan repayments. The difficulty with this scheme is that it is only available in the case of emergencies and is not open for Traveller families to apply directly to, it is the local authority that makes the decision to apply for the scheme.

From our work in Traveller MABS, we are aware that families are reluctant to undertake debt to finance the purchase of their mobile home but do so because there is no option to rent. Making a scheme available for families would provide affordable access to energy efficient mobile homes.

## The legal framework for the operation of a Caravan Rental Scheme

There is currently no provision in Irish law for a Trailer Rental Scheme. Legislation, backed up by case law, places a duty on local authorities to provide and maintain serviced sites for the Traveller Community but it has been held by the courts that it does not place a duty on a local authority to provide caravans other than in exceptional circumstances.

The basic legislative framework for caravan loan schemes is in S.25 of the Housing (Traveller Accommodation Act) 1998. There is no mention

<sup>2</sup> National Traveller MABS. (2018). A Small Scale Study into the Cost of Mobile Homes/Trailers for Travellers. Dublin.

<sup>3</sup> Ehimen, E, Esseling, C. Kearns, M. (2022). *Research on the Energy Efficiencies of Mobile Homes for Irish Travellers Communities*. Dublin. National Traveller MABS.

<sup>4</sup> Department of Housing Planning and Community and Local Government. Circular 2018 46/2016. (2016)



of a rental scheme in the legislation. When read in conjunction with the Housing (Miscellaneous Provisions) Act 2009, which makes provision for social housing support, Travellers may be supplied with sites for caravans, group housing and a caravan loan scheme. While none of the legislation explicitly references a rental scheme, at the same time there is nothing prohibiting it in the legislation.

While there is no scheme available where Traveller families can ask to rent a mobile/caravan we are aware that a number of local authorities allow families to rent caravans/mobiles. Some local authorities rent mobiles to families in instances when the local authority buys the mobile as a result of an emergency situation. This indicates that there is nothing legislatively prohibiting the operation of a caravan rental scheme for Travellers in Ireland. Although the rental schemes in existence do not appear to have a specific policy or plan that could be replicated.

We are of the opinion that a rental scheme would provide access to affordable energy efficient homes for Traveller families, eliminating the need to take on an excessive debt burden and reducing levels of energy poverty. In order to ensure all Travellers opting to live on halting sites can access a rental scheme, there would need to be number of legislative changes and new policy arrangements.

## Addressing the concerns of local authorities

A 2017 report by the Housing Agency asked local authorities what their concerns were about operating a caravan rental scheme. Concerns included; no insurance cover landlord/tenant liability, heavy maintenance responsibility, rent repayments, vandalism/destruction of caravans, short shelf-life of a caravan, non-suitability of a caravan for longer term living and families having a preference for standard/group housing.<sup>5</sup>

## Preference for standard housing.

With regard to the preference of families for standard housing, we argue that while this is the case for some families, the recent Pilot Preferential Caravan Loan Scheme saw the scheme oversubscribed in the three areas where it was operated. In Cork and South Dublin more than 40 families in each area applied for loans. Our understanding from talking to Travellers is that many Travellers would live on a well serviced site in a good quality mobile if they had the choice. With the current Caravan Loan scheme, there are concerns about undertaking a large debt, but despite that many will apply because they have no alternative. There is another issue cited in that the loan amount on offer is not substantial enough to purchase an energy efficient good quality home that is likely to last for between 15 and 20 years.

## Rent payments

In addition, with regard to rent repayments, rent repayments would be lower than loan repayments and could be paid through the Household Budget Scheme, (unlike loan repayments). This would mean there would be less likelihood of arrears.

## Life span of homes

With regard to the longevity of the homes themselves, we share the concerns of the local authority about the mobiles being purchased through current schemes. However, this could be addressed by increasing the amount available to local authorities and going directly to manufacturers. Our recent research into the market in mobile homes has found that BS 3632 2015 standard homes (suitable for long term living) are available direct from manufacturers at prices starting from £60,000.

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<sup>5</sup> The Housing Agency. (2017). *A Review of the Scheme of Loans and Grants for the Purchase of Caravans By Travellers*. Dublin. The Department of Housing Planning Community and Local Government.



With regard to vandalism and destruction of caravans the same risk applies to standard homes with any potential tenants and we are of the opinion that there is no additional risk with mobiles over standard homes.

## Insurance

We agree that at present it is difficult to secure insurance for mobile homes. However, as it stands the state has asked individual families to take on that risk. This is problematic as the state has more resources to undertake such a risk and is better equipped than individual Travellers to source and secure insurance. We contend that the State should bear this risk over the family.

## Maintenance

With regard to maintenance issues, a similar argument to the one above is in play. Our research into energy poverty found that families with limited resources had to finance and undertake, for example electrical maintenance on their own caravan, without access to or resources to pay for qualified electricians. The state must take on maintenance responsibility in these instances and increased funding must be made available by the Department.

In short, many of the concerns of the local authorities can be addressed by ensuring that they are well funded to purchase good quality homes and to cover maintenance costs. The quality of the homes purchased would address most of the other concerns in terms of longevity, maintenance and insurance as it would be easier to access insurance on good quality, well maintained homes as part of local authority stock.



# OPERATION OF A NATIONAL CARAVAN RENTAL SCHEME

Our proposal is for the government to introduce a National Caravan Rental Scheme. This would be available in all local authority areas. Ideally the rental scheme would be operated through local authority existing systems for rent assessment and collection. Families would pay a differential rent for the rent of the bay and trailer that would be the equivalent to or less than the differential rent payable as a social housing tenant of the local authority housing units. Similar rent collection systems would be in place including payment at the council office, Household Budget Scheme, payment at the post office and by standing order and direct debit.

## Eligibility for scheme

Those on the social housing list who have expressed an interest in living in Traveller specific accommodation would be eligible for the scheme.

## Procurement of homes for a National Caravan Rental Scheme

We propose that a stream of funding is made available to local authorities for the purchase and maintenance of mobile homes. While this would involve a higher investment upfront, over time the amount would decrease as the replacement period would be longer than is currently the case for non-residential standard mobile homes.

In this scenario, the local authorities would buy the homes directly from manufacturers. There are a number of manufacturers in Ireland and UK that offer residential standard mobile homes. Some also make mobiles to order. In some instances, there may be a need to commission the manufacturer to build a specific size of mobile as we are aware that there have been issues with some residential standard mobiles being too big to fit on halting site

bays. National Traveller MABS is currently working with other stakeholders on the development of a Traveller designed mobile home. This design would be culturally appropriate as it will take into account how Travellers live in the space. This design, when finished, could act as a blueprint specification for local authorities.

In terms of ensuring energy efficiency, in recent research on the market in mobile homes National Traveller MABS has highlighted the need for a Traffic Light System Guide to purchasing mobile homes that will let the purchaser know the energy efficiency of the mobile/caravan on offer. Currently UK manufactured homes have the BS3632 2015 designation in terms of residential standard, but this would limit choice of manufacturer to the UK. As part of our work, National Traveller MABS is highlighting the need for such a guide to be developed by the Department of Housing, Local Government and Heritage that would assist local authorities when procuring mobile homes.

## Insurance

While it is difficult to secure insurance for mobile homes, there are some Ireland and UK based companies that provide mobile home insurance. While it is often difficult to secure insurance for homes that are lived in all year around, some companies might



be in a position to cover a group of homes owned by a local authority as this is a different proposition than individuals themselves trying to source insurance in the market. One insurer who we spoke with offered insurance on a case by case basis for homes lived in all year round. This would suggest that there is the possibility that this might be an option.

National Traveller MABS would suggest that mobiles/caravans be insured by local authorities in the same manner that they insure their housing stock. The local authority would take out structural insurance for the mobile/caravan and the individual would have to insure their own personal belongings and the contents of their home.

## Connection to services

The local authority will be responsible for connecting tenants to utilities as part of this scheme. In a caravan rental scheme the local authority would be responsible for connecting the home to services including water, electricity and gas (if gas is being used). This will prevent many of the safety issues that occur on site where people have to self- connect their homes to services.

## Maintenance

Local authorities will be responsible for some areas of maintenance and families will be responsible for others. The responsibility of tenants will be similar to those of other social housing tenants living in local authority standard homes. For example as a Tenant, you would be responsible for minor repairs such as decorating the inside of your home, repairing any damage to fixtures and fittings, replacing broken glass etc. while the local authority would be responsible for structural repairs which would include roofs, external walls, floors, windows (not glass), external doors etc.

As is in the case with standard social housing, all tenants would receive a handbook from their local authority which would clearly explain the responsibilities of all parties when it comes to maintenance and repairs.

## Tenancy agreements

The tenancy agreement will cover both the rent of the bay and the mobile. It should build on existing tenancy agreements by detailing the rental arrangement for the mobile home, including a clause on replacement of the unit



## CONCLUSION

National Traveller MABS is proposing the development of Caravan Rental Scheme for Travellers. This scheme would enable Travellers to rent a bay and a mobile home as one package. The scheme would be funded by the Department of Housing Local Government and Heritage through the Traveller accommodation budget. There would be a maintenance element of this funding to enable local authorities to connect the home in the first instance and provide ongoing maintenance. The rental agreement would form part of the tenancy agreement for the bay and tenants would have access to the Household Budget Scheme. The management of this scheme would involve planning for replacement mobiles over time. The local authority would also insure the homes as part of its housing stock.

National Traveller MABS is of the opinion that a rental scheme would:

- reduce energy poverty among Travellers living in mobile homes,
- be more affordable for Travellers and therefore there would be lower arrears than on the caravan loan scheme,
- be more straight forward to operate and ultimately
- improve quality of live for Traveller families.

