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The Right Honourable Angela Rayner MP
Secretary of State for Housing, Communities and Local Government

Dear Secretary of State,

Re: Private management of open spaces and infrastructure on new housing estates

I hope you are well.

As you will be aware, in February 2024, the Competition and Markets Authority published its housebuilding market study. It found “substantial concerns about estate management charges”. I would echo these concerns.

On 22 July 2024 I hosted a ‘round table’ discussion on this topic. I was pleased to be joined by residents, cross-party Councillors and representatives from housing developers and estate management companies. This was an opportunity to hear first hand from a variety of key stakeholders. Many different perspectives were shared, but one thing all parties agreed upon was the positive role that Government should play in establishing much clearer consumer protections and introducing regulation of management companies.

I heard first hand concerning reports about the charges being imposed on homeowners, many not related to the maintenance of communal open space. I see no reason why charges should be in place for anything other than maintenance of open space. I also heard examples of the poor quality of service being received, the disproportionate sanctions faced for non-payment and the fear many residents have about the potential for future uncapped fee rises.

I am working closely with developers and management companies active in Rushcliffe to identify what role the Local Authority can have in encouraging best practice in the industry. However, it is clear that Government have the most significant role to play in this regard.

Regulations must be introduced to:

- Improve transparency in respect of charges, at point of sale and once a property has been purchased;
- Improve rights of redress for residents where the service received is not as contracted;
- Limit the ability for developers/management companies to put onerous charges on homes through the TP1, resulting in the threat of a forced sale to recover estate charges;
- Achieve security for homeowners, by providing protections against unexpected price hikes and charges;
- Establish the remit of management companies and what they can/cannot charge for e.g. it should not be possible for management companies to charge a homeowner when they are making alterations to their own property, seeking a remortgage, or selling the property;

- Provide options for homeowners to vote for a resident management company or private management company;
- Ensure that in the event of a management company going bankrupt, open space land reverts to the developer, not the Crown Estate.

I am writing to urge that your officials investigate this matter further and urgently establish regulatory controls within the sector. I look forward to hearing your response.

Best wishes,

A handwritten signature in black ink that reads "Neil Clarke". The signature is written in a cursive style and is underlined with a single horizontal line.

Cllr Neil Clarke
Leader