

**Housebuilding Market Study  
Competition and Markets Authority**

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**CMA working paper on the private management of public amenities on housing estates:  
Greenbelt response**

As the CMA has stated in its working paper, it is clear that open spaces are an increasingly important element of new housing development and are likely to become more so with imminent biodiversity net gain requirements.

The UK needs the housebuilding market to deliver the homes we need. Open spaces can create communities; they have the ability to be transformational in the delivery of more new homes by making new development desirable to existing communities and those living within them.

This must be recognised; a failure to deliver stewardship not only undermines the benefits of open spaces but will damage developments and the homes within them. Management companies have played a significant role in delivering successful developments; providing the stewardship that local authorities cannot deliver due the financial pressures they face.

A failure to consider the importance of long-term stewardship, in addition to short-term cost, will lead to arrangements and policies that fail homeowners, households and communities.

In delivering open spaces, policy therefore needs to ensure that housebuilders are not deterred from building, unreasonable burdens are not placed on local authorities and, importantly, that homeowners both within new developments and the wider community, are provided with long-term stewardship and value for money.

Our answers to the questions raised by the CMA working paper focus on open spaces. Whilst Greenbelt does maintain SuDS features and some roads, our responses reflect our focus of providing long-term, sustainable stewardship of open spaces.



## Question 5

*(a) What measure, or combination of measures would provide the best solution to our emerging concerns? Please give reasons for your views*

Homeowners need to be provided with well-maintained open spaces and value-for-money solutions. Measures therefore need to deliver this; protecting homeowners from both unreasonable costs and the significant risks associated with a lack of maintenance.

Greenbelt supports measures to provide greater protection to households. Suitable and practicable protections for households will not only protect homeowners but also the companies seeking to deliver long-term stewardship. We believe that the industry is capable of delivering high quality, long-term maintenance which may be preferable to local authority adoption.

It is essential that measures do not create additional burdens and costs which will ultimately be borne by the homeowners or prevent the long-term stewardship needed to protect developments and the households within them. Greenbelt will always urge the consideration of the full impact of all measures including both the non-financial and long-term impacts. By way of example and referring to specific proposals in the CMA working paper (4.19- 4.26):

Transparency:

The New Homes Quality Code will ensure that new homebuyers will be supplied with important information about their open space arrangements including regarding current and future costs. Information supplied to new home buyers should extend to include the structure to be used, including associated costs, and the role of homeowners.

Where a resident management company is to be formed, this should include the responsibilities and liabilities of acting as a director and the risks, to the individual, the development and the households within it. This should extend to all risks including those associated with a failure to arrange suitable maintenance, the risk of insolvency and the risks, impacts and likelihood of the resident management company ceasing to exist.

Switching:

Long-term maintenance is essential for open spaces; it not only allows for the best horticultural care but, importantly, also allows relationships to be built with communities. Building these relationships is fundamental to good stewardship. Whilst changing a management company may unfortunately periodically be necessary, a change will inherently lead to a loss of these benefits.



Costs will be incurred in respect of any renewal and tender processes. If proceeding with routine annual renewals and tendering, this will likely increase annual costs to homeowners. Whilst switching should be available to homeowners, it should only be required if and when specifically desired by a sufficient number of households within a development.

As acknowledged by the CMA, there are many homeowners who will be satisfied with the services delivered by their management company. These homeowners should not be ignored; measures should not increase costs and burdens to them.

Annual renewal and tendering will also lead to a decrease in long-term standards; providers will reduce standards to win contracts and will not be willing to invest in developments and long-term stewardship. Ultimately this will have long-term impacts on open spaces and the households they serve.

#### Onward sale:

The provision of information in the event of a sale must be funded. Currently, this is usually funded by the payment of a fee by those seeking the information. If this is to be provided without any charge, as proposed by the working paper, this cost will need to be built into charges to developments as a whole. It must be considered whether it is reasonable for non-moving households to bear this cost.

Proposals whereby households could be provided with a right to progress sales without the approval of a management company are impractical; they place the long-term funding and management of open spaces at risk. Prior to introducing any requirements and timescales, further consideration would need to be given to the causes of delays, including the role of conveyancers.

Whilst Greenbelt trusts that local authorities will be best placed to address the issues surrounding adoption by local authorities and the funding of future maintenance, Greenbelt does not believe that mandatory adoption of open spaces is feasible or necessarily desirable.

Any review and any such requirement will need to form part of governments reforms. Further comments are provided in our other responses.



*(b) Does the best approach to tackling our emerging concerns differ according to the amenity (eg roads versus public spaces) or by nation?*

Open space, and the management of it, is becoming increasingly complex. Open spaces will vary from development to development and management arrangements should reflect this. Different areas and features will require different solutions to deliver long-term stewardship. This may include local authority adoption or management by a suitable management company.

Greenbelt would support the adoption of estate roads on all new developments and, where possible, existing developments. These features significantly increase the financial burden on homeowners; increasing annual management charges and frequently requiring sinking funds that can represent poor value. Estate roads should be relatively standard and appropriate for management by local highways authorities who will have extensive experience of such maintenance.

*(c) Are there any options that may be more effective in addressing our emerging concerns than those that we have proposed?*

Open space management solutions must be provided that deliver long-term stewardship and the funding needed to deliver this. This may include local authority adoption and greater protections for households but should also consider the most appropriate models for delivering this; arrangements which can deliver good maintenance, good value, reduce cost and protect homeowners from risk. Consideration should be given to new arrangements and structures which can address concerns.

#### Question 6

*(a) Would enhanced consumer protection measures by themselves provide sufficient protection for households, or would mandatory adoption also be necessary to achieve a comprehensive solution to the detriment experienced by households living under private estate management arrangements?*

Even where it is possible to provide for a commuted sum without creating a financial burden which prevents housebuilding, the CMA correctly identifies that this will reach a stage where maintenance must be funded from a local authority general budget. The reality of adoption by local authorities may therefore be a significant decrease in the standards of maintenance compared to that which can be delivered by better funded, and more directly accountable, management companies.

Well maintained open spaces and the arrangements to facilitate this maintenance should not be detrimental to households. They can provide homeowners within new developments with a multitude of



benefits, including financial, and stewardship of these areas must be ensured and funded for the lifetime of the development.

Whilst vocal individuals may significantly object to the payment of an annual sum, we believe that the majority of households appreciate having an accountable, professional service, preferring to pay a reasonable fee to ensure that their open spaces are well maintained. With appropriate rights and safeguards for homeowners, open spaces can be maintained to better standards than adopted areas whilst homeowners are suitably protected with a service provider they can hold directly accountable.

Adoption of open spaces on new developments may potentially provide the lowest immediate cost to new homeowners within developments but not actually deliver the best value for money. It is not only homeowners on new developments but also those in the greater local authority area that must be considered; does local authority adoption represent an appropriate solution not only for those within a development but for the wider community? These wider communities may, understandably, object to funding the maintenance of spaces and facilities for households on new developments.

*(d) Should such measures be implemented by the UK, Scottish and Welsh governments, as appropriate, or by the CMA following the conclusion of a market investigation? Please explain why, and whether this differs by nation.*

To achieve suitable protections for households, statutory provisions must be introduced. The UK Government has already committed to such provisions and we understand these will be delivered shortly in impending legislation.

#### *Question 7*

*(d) Should this option only apply to future housing estates or include existing housing estates? If the latter, how and over what timescales could existing infrastructure be brought up to the agreed common standard?*

A short-term approach to management, where cost has been placed above stewardship, will provide lower quality open spaces. Open spaces which have been subject to this approach will require significant attention and finance to reach adoptable standards.

This is a problem which will be compounded where there have been multiple managing agents employed by a resident management company; standards are likely to have been lowered to provide the cost reductions required to win contracts. Even where homeowners have not placed cost above long-term stewardship, they are unlikely to have the experience to ensure long-term care.



Where open spaces on existing estates have been well managed, adoptable standards should not be an issue; long term funding will be. Adopting authorities will either need to accept open spaces without any funding, a solution which is not realistic given already stretched budgets, or require sums which will need to be borne by homeowners, either through a commuted sum or the continued payment of a service charge. For the latter, there will, understandably, be significant opposition to homeowners paying local authorities additional sums to manage their open spaces. In reality, developments would likely see a significant reduction in the quality of maintenance.

#### Question 9

*(a) Is mandatory adoption likely to be an effective and feasible option to address our emerging concerns in relation to new housing estates? Please state whether this applies in general terms, or to specific amenities, and/or in specific nations.*

Please see Greenbelt's responses above

*(b) Do you agree with our preliminary view that mandatory adoption is likely only to be practicable for new housing estates, given the significant additional challenges and costs of retrospective adoption? Please explain your views.*

Greenbelt does not believe that mandatory adoption is practicable, or potentially desirable, for existing developments. For further explanation, please see our responses above.

#### Question 10

*(a) Are our proposed criteria for determining which public amenities should be adopted the right ones? Are there amenities that we have not mentioned but should be included?*

The benefits of open spaces are widely acknowledged and these will clearly benefit those within a development most. As highlighted in our response to other questions, new developments can enhance and benefit the areas in which they are built. This should not be solely for the benefit of those living within the estate, albeit they are the most likely to benefit, but for the wider community.

This has already been recognised and is a fundamental principle of the essential biodiversity net gain requirements to be implemented for new developments. These do not simply require a development to



remediate the biodiversity damage they cause; they provide for a 10% gain and therefore a positive outcome from development. This is a principle that should be applied to all aspects of a development.

The CMA has identified that one of the criteria for the requirement for amenities to be adopted by a public authority should be where open spaces are accessible to the general public. Where this is to be considered, it should not be a determining factor. Instead, new developments, and the households within them, providing a benefit to the communities they will be joining, should be encouraged. By delivering this, we can combat the typical opposition to new development and facilitate the building of the new homes we need.