



Meadfleet response to Private management of public amenities on housing estates working paper

Meadfleet is an Award-Winning Embedded Management Company operating for nearly 30 years across England Wales, chosen by housebuilders and local authorities to adopt, manage and maintain public open spaces on new housing development.

We represent over 340 developments and 43,000 homes and recognise the responsibility associated with our role in local amenity delivery and accountability to our customers. By taking ownership of the open space, Meadfleet are committed to its long-term, sustainable and high-quality management in perpetuity.

Transparency & Cost Effectiveness

Meadfleet agree that transparency to homeowners on estate charges should be given from the initial enquiry of a property purchase right through their ownership. We supported and welcomed the New Homes Quality Code allowing customers to make informed decisions at an early stage of enquiry. We also believe that NTSELAT should issue guidance to estate agents setting out minimum expectations for informing prospective purchasers upon the subsequent of properties of the existence and scope of estate management services.

We believe that transparency of estate charges would be greatly improved by only allowing charges to be made in arrears for works actually incurred and completed rather than based on annual estimates in advance. Charging in arrears encourages increased accountability by the Management Company and allows homeowners to understand and review the charges they are being requested to pay at a time when the works are visible and completed.

Accountability & Redress –

All estate managers should be required to join an approved independent ombudsman scheme to allow proper complaints handling with no application fee payable by the customer. This will help stamp out bad practice in the sector by increasing accountability with independent redress.

The code of practice of any such ombudsman should require that a full breakdown of cost is provided with every invoice as well as contact details and complaints procedures clearly detailed.

Management Companies should also be required to respond to customers within a reasonable timeframe. There are Management Companies demanding 28-day payment terms, but response times exceeding that – this cannot be considered fair or reasonable in any marketplace.

Proportionality

We support a ban on Rentcharges on the basis of them being disproportionate to the level of estate charges levied against a property and the impacts this can have on the saleability of the property moving forward. The remedies of S121 should be immediately banned for any estate charge.

We believe there should be compulsory consultation on any works amounting to more than £250 per household per event, in line with current leaseholder rights. This process within the Leaseholder arena is well established and allows for detailed communications with timescales when an owner is being asked to part with a substantial sum of money, either as a one off or as part of an on-going contract.

Embedded Management Companies Vs Resident Management Companies

A Residents Management Company may seem to offer more choice and input to residents, but the reality is often very different with this model often resulting in higher charges, inactivity, and confusion.

With the increasing complexity and size of developments it begs the question – is it right for public open space to be in control and responsibility of residents or is it actually that the Embedded Management Company model works as an alternative to local authority adoption, and the balance of power is being actioned by Government by affording Freeholders the rights of their leasehold counterparts?

Liability

We believe that no homeowner should be responsible for rectifying a defect from the installation of the open spaces. We support the requirements of a Common Adoptable Standard for open spaces prior to being handed to the Management Companies and the Developers should be required to give binding undertakings that they have completed work to that standard and be required to put right work or pay the cost of putting it right, where those undertakings are breached.

We work only with Developers who are willing to give such binding undertakings and who recognise the importance of providing quality, warranted, open spaces to their customers.

We recognise and know that some Developers may prefer Residents Management Companies due to the control and lack of accountability they can introduce. However, RMC's do not protect against handing over sub-standard, unwarranted areas, creating an unfair disadvantage to customers who purchase a property with an RMC unknowingly accepting this liability.

Mandatory Adoption by Local Authorities

With ever increasing pressures on local authorities and the ever-increasing complexities of open spaces under the new requirements of Biodiversity Net Gain from the Environment Act 2021, we do not believe that mandatory adoption by Local Authorities under a Commuted Sum will be commercially viable either for the landowners, Developers or homeowners.

Over the past 30 years we have seen commuted sums quoted by local authorities become ever more uncompetitive which if mandated will leave the commercial viability of many housing schemes in doubt, working against the government's commitment for more quality housing in a timely manner.

Our average annual estate management fee is below £200 per annum, less than £17 per month in conjunction with an 'excellent' rating on Trustpilot with over 700 reviews. If the fundamental principles of *quality* open space management are followed then homeowners receive a benefit of service and maintenance far higher than a local authority could provide, at a cost-effective level, supporting a quality housing development for the long-term stability of house-prices.

Government Consultation on Freeholder Rights

We support the governments commitment in the November 2023 Kings Speech to grant freehold owners on private and mixed tenure estates the same rights of redress as leaseholders including extending equivalent rights to transparency over their estate charges and access to support via redress schemes.