

Notice of by Councillor Wood under Standing Order 6 To be seconded by Cllr Miller-Boam

Motion: Residential Management Companies

This Council notes:

The increasing use of private management companies on new residential estates in Exeter to maintain roads, open spaces and shared facilities.

That many residents experience poor service, rising costs and a lack of transparency, while having limited rights to challenge or change their management company.

That the planning system can shape how estates are designed, adopted and maintained, and therefore has a key role in reducing reliance on private management arrangements.

Key reports and evidence on the performance and of management companies, including:

- **The findings of the *Competition and Markets Authority's Residential Property Management Services Market Study***, highlighting issues with poor transparency, high charges, and lack of leaseholder control.
- The ***Leasehold Advisory Service's National Leasehold Survey (2016)***, which found that 68% of leaseholders had little or no confidence in their managing agents.
- The ***Law Commission's Commonhold and Leasehold Reform reports***, identifying the need for stronger homeowner rights and fairer management structures.
- The ***Housing Ombudsman's Learning from Severe Maladministration*** reports, which detail systemic failings in housing management and governance.

That this is a national issue, and **Exeter MP Steve Race** has been working extensively with other Labour Members of Parliament to challenge poor performance and lack of accountability under the current system.

The Labour government's commitment to modernise housing law through the ***Leasehold and Freehold Reform Bill***, and welcomes its plans for further radical reforms to address ongoing issues faced by homeowners and deliver essential change through the upcoming Commonhold White Paper and ***planned Leasehold and Commonhold Reform Bill***.

<https://www.gov.uk/government/news/beginning-of-the-end-for-the-feudal-leasehold-system>.

This Council believes:

That public areas on new developments, wherever possible, should be designed and built to adoptable standards, so they can be maintained by the City or County Council (or their successor). Where appropriate this may require the provision of a commuted sum to fund ongoing maintenance.

That when private management companies are proposed, residents should be fully informed at about future costs and responsibilities and accountability of services before any homes are sold.

That developers must provide sufficient financial safeguards, including bonds, to ensure essential infrastructure works are completed even if the development or the management company ceases trading.

That stronger regulation is required at a national level to protect homeowners where management companies are unavoidable.

This Council resolves to:

1. Strengthen the use of the planning system to seek adoption by local authorities of roads, play areas, open spaces and other infrastructure where possible, and to consider the provision of a commuted sum for the ongoing maintenance and management of such facilities, in order to limit reliance on private management arrangements.
2. Ensure due diligence in the planning process so that developers have sufficient bonds or other financial guarantees in place to cover the completion of essential infrastructure works.
3. Require developers, through planning conditions or legal agreements, to set out clearly the costs and responsibilities of any proposed management company before homes are sold.
4. Ask the Chief Executive to write to the Secretary of State for Housing, Communities and Local Government calling for stronger national regulation of residential management companies.
5. Work with the Local Government Association and other councils to campaign for reform and highlight the experiences of Exeter residents.
6. Publicise advice and support available to residents who face difficulties with their management companies.
7. The matter of monitoring the implementation of the resolutions be referred to the relevant Scrutiny Committee.