

Ministry of Housing, Communities and Local Government,
Third Floor,
Fry Building,
2 Marsham Street,
London,
SW1P 4DF

12th March 2026

Response submitted by email only to: reducingprevalence@communities.gov.uk

Dear Sir / Madam,

Re: Reducing the prevalence of Private Estate management Arrangements

Introduction

The Land, Planning and Development Federation (LPDF) welcomes the opportunity to respond to the MHCLG consultation on *Reducing the Prevalence of Private Estate Management Arrangements*.

This consultation follows the earlier working paper, which informed the Competition and Markets Authority's (CMA) Housebuilding Market Study. The LPDF submitted a response to that working paper in November 2023, highlighting the structural factors behind the rise of private estate management arrangements and advocating for reforms that promote fairness while protecting housing delivery.

The LPDF represents land promoters, housebuilders, and commercial developers of all sizes across England. Our members are deeply involved in promoting sites, securing planning permissions, and delivering serviced land parcels. Through this engagement, the LPDF is uniquely placed to comment on the practical implications of regulatory reforms and their effect on housing delivery.

We support the Government's ambition to deliver 1.5 million homes during this Parliament. To achieve this, reforms in estate management arrangements must be carefully designed to remove structural barriers, improve transparency, and avoid unintended consequences that could slow delivery, reduce market diversity, or increase costs disproportionately for SMEs.

In addition to this submission, the LPDF are also signatories to an open letter in regard to these issues.

About the LPDF

The LPDF seeks to represent the UK's leading land promoters, home builders and commercial developers. LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing "shovel ready" land with a planning permission which can facilitate the delivery of infrastructure and serviced land parcels.

The LPDF seeks to actively engage with government on planning, housing and commercial development policy and to educate the wider public on the social, environmental and economic benefits of development through an evidenced based approach.



The LPDF encourages its members to deliver well designed, high quality, sustainable places which deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.
- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.
- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.
- Creating well designed, high quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.

Approach to this consultation

This response does not address each individual consultation question, instead it focusses on cross-cutting themes and overarching issues that the LPDF consider most significant. We believe that a thematic approach such as this provides the most constructive input from the LPDF.

Context

Estate management arrangements are not an isolated issue but the result of broader systemic pressures affecting housing delivery. They have evolved largely as a response to local authority resource constraints, inconsistent adoptable standards, and increasingly complex technical requirements for public amenities. Private estate management arrangements have become the default for many new developments, but this is largely a practical response rather than a deliberate choice by developers. Local authorities increasingly decline to adopt public amenities, commuted sums are often variable and sometimes prohibitively costly, and adoption processes can be prolonged and uncertain.

These structural factors have consequences for housing delivery. The development sector already faces a cumulative set of regulatory challenges, including environmental obligations, Building Safety reforms, and changes to infrastructure funding. Reform that fails to address the root causes of private management, or that add further cost or complexity, risks slowing delivery, reducing the viability of marginal sites, and constraining SME participation. In the context of the Government's ambition to deliver 1.5 million homes during this Parliament, understanding this



context is essential: any reform must remove barriers, provide clarity, and support housing supply rather than inadvertently hinder it.

Removing barriers for adoption and improving processes

The consultation document rightly explores why the traditional public adoption of roads, drainage, open spaces and other amenities has declined and looks at why financial incentives have made non-adoption attractive to developers and local authorities. The complexity, inconsistency, and costs of adoption processes, including varying commuted sums, lengthy inspections, and discretionary local authority decisions, discourage adoption and entrench private management.

The LPDF supports efforts to remove these barriers and streamline adoption processes, where appropriate, including exploring national frameworks for commuted sums and inspection procedures. Clear national guidance on adoption procedures would reduce uncertainty for developers and local authorities, while streamlined processes would particularly support smaller developers and help avoid delays that could restrict housing delivery. Reforms must, however, remain pragmatic, proportionate, and evidence-based, balancing uniformity with flexibility to reflect site-specific circumstances and the local planning context so as not to impede development timelines or inflate costs, particularly for SMEs. Such an approach will ensure adoption reforms facilitate the delivery of new homes without introducing unnecessary delays or additional costs.

The LPDF are also of the view that whilst mandatory adoption may be the best approach for some elements, this is not a case of a one size fits all approach, as certain assets, such as amenity space, are less well suited to this option.

Common Standards for Adoptable Amenities

The consultation proposes introducing common standards for public amenities such as highways, sewerage, sustainable drainage systems, and open spaces. Common standards can improve quality, consistency, and increase certainty for all stakeholders in planning, delivery, and adoption.

The LPDF supports the introduction of pragmatic, achievable standards that raise quality while avoiding overly prescriptive requirements that could add cost, complexity, or discourage innovation in design. Standards should help deliver better places but also be applied in ways that support delivery viability, particularly for SME-led schemes.

Mandatory Adoption and Exceptions

The consultation seeks views on the potential for mandatory adoption of certain public amenities, while recognising that there will be circumstances where adoption is not appropriate, for example in relation to bespoke or luxury features, specialist infrastructure, or assets with disproportionately high lifecycle costs.

The LPDF acknowledges that increasing the adoption of amenities could reduce reliance on private estate management arrangements and improve outcomes for homeowners and residents. However, it is also worth remembering the lessons learnt from the 1960's and 1970's where lots of LPA maintained green spaces were poorly maintained. Any move toward mandatory adoption must be evidence-based, clearly justified and proportionate. It is essential that adopting authorities have the necessary capacity, expertise and long-term funding to maintain assets without detriment to wider local service provision. Requirements must also avoid imposing disproportionate risk or cost on SME developers, which could slow delivery and undermine housing supply. Where exceptions apply, these must be clearly and tightly defined to avoid discouraging innovation in design or placing unreasonable obligations on developers.



The LPDF considers it critically important to recognise that there is no single solution applicable to all asset types. A disaggregated approach is more likely to deliver effective outcomes, as highways, utilities, sustainable drainage systems (SuDS), open space and other amenities each present distinct legal, practical and financial considerations in both delivery and long-term management.

In respect of highways and utilities, the LPDF supports mandatory adoption in principle, provided this is accompanied by a clear, streamlined and time-bound process to remove delay and uncertainty. Improving the efficiency of adoption procedures would help eliminate existing “grit in the system”, accelerate planning and technical approvals, and support the timely delivery of new homes. While a single set of common adoption standards may help address inconsistency between highway authorities, care must be taken to ensure that minimum specification standards do not undermine wider placemaking ambitions or design quality. Common adoptable standards should therefore apply across utilities, sewage and road construction, while allowing flexibility to exceed these baseline requirements to reflect local vernacular and enhance placemaking objectives. Enhanced delivery standards, particularly in relation to road infrastructure, should be accepted for adoption, rather than rejected as overly challenging by adoption bodies, subject to appropriate and reasonable commuted sums.

The position in relation to SuDS and biodiversity net gain (BNG) is more complex, given their intrinsic link to long-term stewardship and maintenance. Whilst below ground SuDS may be suitable for adoption, in contrast above ground SuDS are more suited to being managed as part of the overall amenity stewardship solution. Without robust and properly funded management arrangements, there is a risk that residents, particularly where they bear ongoing costs, may seek to minimise expenditure, leading over time to declining quality and standards. Government must be mindful of the medium-to long-term consequences of under-maintained infrastructure, to avoid creating a legacy of poor-quality environmental provision.

With regard to public amenity space and community facilities, the LPDF recognises that there is no straightforward or immediate solution. While in principle, universal adoption by local planning authorities (LPAs) might be desirable, the practical and financial constraints facing many authorities make this unrealistic. The scale of the financial and operational implications means that a purely ideological position in favour of blanket adoption is unlikely to be deliverable.

The LPDF also recognises the concern regarding fairness, namely that residents may perceive they are paying twice for amenities through both council tax and estate management charges, while facilities remain publicly accessible. However, in practice, many LPAs do not have the financial capacity to assume these costs without significant increases in council tax. Such increases would run counter to the Government’s wider objective of addressing cost-of-living pressures. The challenge, therefore, is to strike an appropriate and workable balance.

In relation to public amenity space, a flexible “menu of options” approach should be applied, proportionate to the scale and complexity of the development. For smaller schemes, particularly those incorporating limited areas of amenity open space and low tier play areas, it would be appropriate for such spaces to be adopted by the local planning authority (LPA) or Parish/Town Councils. Establishing Resident Management Companies (RMCs) solely to manage a small number of assets in these circumstances risks placing an unnecessary and disproportionate governance and administrative burden on residents, where adoption by a public authority would provide a simpler, more efficient and cost-effective solution.

For schemes approximately 250–750 units, a private management company is likely to represent the most practical and proportionate solution. However, for large-scale developments exceeding 750 units, particularly those delivering extensive, phased community infrastructure over many years or decades, alternative adoption mechanisms or



bespoke long-term stewardship models are likely to be more appropriate. Such larger schemes, or the aggregation of multiple phases of developments under a single stewardship body, present an opportunity to move beyond the wholesale adoption of assets towards governance-led management structures that secure long-term quality and resilience.

In these circumstances, placing the full burden of responsibility and time commitment solely on resident directors would be disproportionate and unreasonable. Instead, larger and more complex sites should be supported by alternative stewardship structures that retain meaningful resident input and participation, while also incorporating a broader and more diverse group of professionals acting as directors and/or advisers. This ensures the necessary expertise and experience are embedded within the governance framework. Even within such a structure, day-to-day stewardship services and operational activities would typically be delivered through the appointment of managing agents and/or specialist community organisations, providing the industry-specific knowledge required to ensure effective implementation, management and maintenance of community assets.

Transparency, Data and Policy Consistency

The consultation proposes that public authorities publish clear adoption policies, data on the proportion of homes subject to estate management charges, and standard templates to improve consistency. The LPDF believe that clear definitions of assets, responsibilities and ownership pathways should be provided.

The LPDF strongly supports improved transparency as:

- Clear policies published by authorities would reduce negotiation uncertainty and help developers plan with greater confidence.
- Data on estate management arrangements would help strengthen policy evidence and support future reforms.
- National guidance or templates would assist local authorities in delivering consistent approaches.

However, the additional administrative burden and resource implications for local authorities must be considered so that transparency reforms do not unintentionally reduce capacity for adoption or place unfunded burdens on weaker authorities.

Financial Sustainability and Consumer Protection

The consultation explores the introduction of financial sustainability and affordability tests for estate management charges as a means of strengthening protections for homeowners. The LPDF welcomes initiatives that enhance consumer confidence; however, it cautions that any affordability tests applied at the planning stage or point of sale must be clearly defined, predictable, and implemented in a way that does not delay planning decisions or create additional uncertainty in the development process.

In addition, consideration should be given to the whole-life costing of amenity spaces and estate infrastructure. It is essential that the long-term maintenance, renewal, and replacement costs of these assets are properly assessed and reflected within the various “menu of options” available for estate management and adoption. Ensuring that these costs are transparently planned for from the outset will help avoid situations where residents’ bills increase significantly as assets approach the end of their natural life cycle.



Resident-Controlled Management and Redress Mechanisms

The consultation considers the role of resident-controlled management companies (RMCs) and the potential for improved dispute resolution mechanisms. The LPDF supports measures that provide residents with meaningful influence where private management arrangements remain in place. However, such frameworks must be practical, cost-effective, and avoid placing disproportionate governance burdens on residents, which could discourage participation, particularly from SMEs. Any new redress or dispute resolution processes should ensure fairness while remaining straightforward and free from unnecessary procedural complexity.

While RMCs may remain a viable option for some smaller developments, there is a strong argument that adoption by the local authority or relevant public body could be a more appropriate solution in these cases, providing a simpler and more cost-effective approach to managing limited community assets.

As discussed earlier within this submission for larger-scale projects managing multiple assets of different types, RMCs can be evolved to be more fit for purpose. Central to this is the establishment of a diverse board of directors combining professional expertise with resident representation. A strong foundation of experience, drawing from volunteers such as existing community and faith groups, developers, and local authorities, can help establish the stewardship body, its governance structures, and operational procedures. Over time, this model can evolve further, including the potential use of professional directors where necessary, maintaining alignment with the Government's preference for RMCs while better reflecting the practical realities of asset management in complex developments.

Where residents have the ability to trigger the replacement of a managing agent or embedded stewardship provider, appropriate safeguards should be in place, for example, requiring a majority vote or limiting such triggers to once every five years. Certain assets, particularly "quirky" or complex ones, such as country parks, SuDs, community buildings, and other non-standard assets, may be better suited to stewardship bodies rather than RMCs or councils. In these cases, an evolved RMC could retain ownership and ultimate responsibility while delegating day-to-day management and maintenance to a professional managing agent. Alternatively, some complex assets may be more appropriately transferred to a professional management body alongside an endowment, removing the financial burden from the community and avoiding issues associated with embedded management companies.

Ultimately, governance remains the core issue, a single model will not be suitable across all site sizes and asset types, and flexibility is required to ensure equitable, accountable, and effective stewardship.

Conclusions

The LPDF supports the Government's objective of improving fairness, transparency and consumer confidence in estate management arrangements. However, reform must recognise that private management has arisen from structural pressures within the system and cannot be addressed through a single, uniform solution. Government should recognise the value of multiple stewardship models, not just RMCs.

A disaggregated, asset-specific approach to adoption and long-term management is essential. Highways, utilities, SUDS, biodiversity infrastructure and public amenity space each present distinct legal, financial and stewardship considerations. Mandatory adoption may be appropriate for certain infrastructure, but flexibility must be retained where capacity constraints, viability, lifecycle costs or scheme scale necessitate alternative models. The LPDF believe that the policy should explicitly differentiate between large, complex developments and small sites. Any mandatory adoption regime must be accompanied by ring-fenced commuted sums and assurance of Local Authority capacity.



If reform is to succeed, it must remove barriers to adoption, provide clarity and consistency, and support, rather than hinder, the delivery of new homes. A proportionate and differentiated framework will ensure that improvements in consumer protection and transparency are achieved without undermining housing supply, SME participation or the creation of high-quality, sustainable places.

