

Press Release

HUNTS GROVE PARISH COUNCIL URGES CREST NICHOLSON AND STROUD DISTRICT COUNCIL TO ABANDON FAILED MANAGEMENT COMPANY STRATEGY ON PROPOSED HUNTS GROVE EXTENSION

The imposition of a management company seriously undermines the Parish Council and is splitting our village down the middle.

Hunts Grove, Gloucestershire, July 12th, 2023

The Parish Council has learned that the developer at Hunts Grove, Crest Nicholson, intends to extend its failed management company strategy to the final part of the village to be developed, Hunts Grove Extension. This is already in the early planning phase for up to 710 residential dwellings, a primary school, public open spaces, play facilities, landscaping and supporting infrastructure under application 2023/0130/EIAS and a full outline application is expected this year.

Councillors and residents have been attempting for more than five years to negotiate with Crest Nicholson to address serious concerns and impacts of their approach to village maintenance and management. Unfortunately, despite the involvement of the Council and other senior stakeholders from Stroud District Council, the landowner, local MP Siobhan Baillie and others, Crest Nicholson refuse to work with the Council to adopt the planned open spaces and amenities at Hunts Grove.

Imposing a management company for Hunts Grove Extension will further undermine the viability and role of the Parish Council in the community. **We ask Crest Nicholson and Stroud District Council to commit to work with the Parish Council on adoption of any open spaces and amenities at Hunts Grove Extension.**

Background

Hunts Grove Parish Council is Gloucestershire's first new parish council in more than 40 years. The Council was formed in 2021 following a Community Governance Review with overwhelming support from residents of Hunts Grove. Two primary factors led residents to campaign for the new Parish Council, 1) to be a not-for-profit successor and replacement for Hunts Grove Management Company Limited, and 2) that Parish precept monies raised from Hunts Grove residents should be spent in Hunts Grove.

When complete, Hunts Grove will comprise over 2,500 homes, large areas of public open spaces, parks, allotments, sports pitches, and a community building. The original planning for the site included a Section-106 planning agreements for all open spaces and amenities to be transferred and adopted by the District Council. This arrangement still applies to phase one of the development and the District Council is supporting the Parish Council in adopting this area under a proposed back-to-back agreement. The Parish Council has not made a final decision on this matter as councillors await the outcome of management company discussions with Crest Nicholson.

A planning variation was submitted to Stroud District Council in 2015 that proposed the implementation of a management company to be responsible for management and maintenance of open spaces and amenities, funded via an annual service charge levied on residents of phases two to four. This was approved by Stroud District Council in September 2017 at which point residents became aware of the scheme and the campaign and discussions started at that point.

There are local and national issues regarding the imposition of a management company.

1. The Parish Council is **prevented from fulfilling the role** that Hunts Grove residents demanded of it when the Council was formed – a traditional role that thousands of councils have in communities across the nation, local maintenance and accountability for open spaces, parks, sports pitches, allotments etc.
2. The open spaces and amenities **are intended for all**, however with the management company in place, **only some residents are paying** for the maintenance. This is unfair for the residents forced to pay the fees, puts the viability and access for other residents in jeopardy. **Crest Nicholson have not responded to Council requests** to determine how non-management company residents may access the amenities. For example, if a phase one resident wishes to lease an allotment or book an event at the community hall, are they second-class citizens? Will they have to pay additional fees?
3. The Management Company arrangement has become a **cash-cow for the managing agent** (and potentially the developer Crest Nicholson). We are not making allegations here; it is just a matter of fact there is no transparency around the corporate arrangements in how these **cash-cow contracts are awarded by the developer to the agent**. The contract between the developer Crest Nicholson and the managing agent, Preim Limited, guarantees an 'agents fee' approaching 50% of the annual service charge. **For the 2023-2024 financial year that equates to £48,750 profit before any services**

are provided on site. If the management company area is expanded according to Crest Nicholson plans, that figure will be over £200,000 profit taken out of the community per annum.

4. Residents are **forced to deal with a remote managing agent based in Peterborough** and have no direct control over how their service charge fees are spent, the works covered, and the quality of work. Residents look to their Parish Council to resolve these issues of poor-quality maintenance, trees dying, paths collapsing etc. however the Council have no powers to intervene either. Only adoption by the Parish Council, a not-for-profit organisation, run by democratically elected volunteers that actually live in the village will resolve these issues.
5. The Parish Council, like the residents it serves, **cares passionately about the lack of maintenance over the past few years**, poor condition of the parks that have been completed, however we are legally unable to step in to improve the village landscaping using any precept funds (council tax) or grants that we are eligible for. The **Parish Council finds itself in an intolerable position** of wanting to intervene, residents expecting us to intervene, yet having no role whatsoever in the management scheme that the developer has imposed on the village.
6. The developer management company scheme forces homebuyers into the realms of the nationwide **"Fleecehold" scandal** where buyers believe they are buying a freehold property, however become entwined in **unlimited liabilities and complications** due to draconian powers afforded the managing agents under the "Rentcharge" laws. More on that below.

"One Hunts Grove"

"One Hunts Grove" is the Parish Council vision and objective for the village, and the only way we can see out of this mess.

"One Hunts Grove" means all residents having equal rights, equal access to community facilities, and contributing equally for maintenance through their existing council tax.



Nationally, so-called "Fleecehold" scandal equivalent to the PPI or Leasehold Scandals

In the minds of buyers, "Freehold" still defines property and land "free of any hold", conditions, charges etc. **"Fleecehold" or "Fake Freehold"** is where a property buyer believes they are buying a freehold property, only to find there are liabilities for a myriad of fees and annual service charges related to maintenance of open spaces and amenities.

These liabilities are **secured by a rentcharge deed** which has been a legal device in English law dating back to 1290 that protected the interests of the 'lord of the manor'. Unfortunately, still to this day, all powers are with the rentcharge owner, not the homeowner.

In the case of **private management companies, this means they may levy any charge they decide, for any services they decide, and the homeowner has no right to challenge the annual fee, services, or quality of service.** In addition to the annual service charge fee, the management company levies substantial fees if the homeowner wishes to sell their property, change mortgage provider, or change any names on property deeds.

In the event that the Management Company considers a homeowner to be in dispute, they have the **power to enter the freehold property, raise a lease on the property, and even prevent sale of the freehold property.**

More than 55 MPs of all parties have raised this issue in Parliament. The Government has promised legislation and reforms for several years to give freeholders rights to challenge service charges. The Government intends to introduce legislation "when Parliamentary time allows".

A summary of the current position can be found here:

<https://commonslibrary.parliament.uk/research-briefings/cbp-8497/>

Summary

The Parish Council is in negotiations to adopt **phase 1** of the village and must make a final decision in the coming weeks.

For several years now, councillors have been in discussions with the developer Crest Nicholson regarding the current management company areas of **phase 2-4** of the village. With the exception of the developer Crest Nicholson, all other stakeholders are fully behind the Parish Council proposals, including Stroud District Council, the landowner Colethrop Farm, plus others that have tried to escalate this on behalf of residents such as our District and County Councillors, and our MP Siobhan Baillie. A management scheme has not been approved so far for Hunts Grove Extension. There **appears to be no legal "right to manage"** role for the Parish Council for its own village and appears to be no legal means to force the developer to relinquish the management company control.

Hunts Grove Extension is an area that is only now coming to planners at Stroud District Council as part of a planning application. Despite the strength of opinion from residents and the Parish Council, the developer proposes to press on with the failed management company strategy. The full application has not been submitted yet, nothing has been approved, therefore Hunts Grove Parish Council would like to make crystal clear its view:

We ask Crest Nicholson and Stroud District Council to commit to work with the Parish Council on adoption of any open spaces and amenities at Hunts Grove Extension.