



Response to Consultation: Reducing the Prevalence of Private Estate Management Arrangements

Submitted on behalf of the Association for Public Service Excellence (APSE)

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1 Introduction

The Association for Public Service Excellence (APSE) represents local authorities across the UK delivering frontline services, including parks, highways, street lighting, waste, and environmental services. We welcome the opportunity to respond to the Government’s consultation on reducing the prevalence of private estate management arrangements.

APSE supports the Government’s intention to address the growing concerns surrounding private estate management companies, particularly in light of the findings of the [Competition and Markets Authority \(CMA\) Housebuilding Market Study](#) (2024). The CMA correctly identified that the reduction in adoption of public amenities has led to a proliferation of private arrangements where homeowners pay for facilities that are often publicly accessible, creating issues of fairness, accountability and value for money.

This response is informed by engagement with APSE member authorities, including the APSE network session “[Shaping the Future of Estate Management: Local Authority Perspectives on Reducing Private Estate Management Arrangements](#)” (February 2026), which brought together council officers and elected members to share operational experience and emerging concerns. The session featured a presentation from Keith Burnett, Senior Policy Advisor at MHCLG, outlining the consultation proposals, followed by a Q&A session.

It also reflects APSE’s formal policy position as set out in [APSE Briefing 26-04: Consultation on Reducing the Prevalence of Private Estate Management Arrangements \(Unadopted Amenities\)](#).

Our response draws upon direct feedback from APSE member authorities and builds upon our previous policy commentary on this issue.

2 Core principles

APSE believes reform should be guided by the following principles:

- **Democratic accountability** – Publicly accessible amenities should, wherever possible, be publicly accountable.
- **Fairness for residents** – Homeowners should not face uncapped, poorly regulated charges for assets that function as public goods.
- **Long-term sustainability** – Infrastructure must be designed and funded to remain viable beyond initial developer timeframes.
- **Financial realism** – Any shift toward increased adoption must be accompanied by appropriate funding, legal powers and workforce capacity.

3 Adoption of public amenities (CMA Recommendations 1.1 and 1.2)

APSE strongly supports:

- The implementation of common adoptable standards.
- Greater clarity and simplification of adoption processes.
- The principle of mandatory adoption of certain public amenities, subject to clear definitions and viability considerations.

3.1 Current barriers identified by local authorities

Member feedback highlights several systemic challenges:

- Escalating commuted sums calculated over 20–50 years have made adoption financially prohibitive.
- Developers frequently opt for private management when faced with substantial upfront commuted sum requirements.
- Local authorities lack sufficient revenue funding to absorb new open spaces, SuDS, play areas, street trees and non-standard materials without financial risk.
- Viability negotiations often result in trade-offs between affordable housing, open space quality, and long-term maintenance funding.
- Authorities report that in recent years, virtually no open space has been offered for adoption in some areas due to commuted sum disputes.

While Government seeks to increase adoption, local authorities cannot do so sustainably without:

- Increased core funding.
- Clarity on future liabilities (e.g. limited lifespan of geocellular tanks, SuDS, play equipment).
- Legal powers to require assets to be brought up to adoptable standards before transfer.

Without addressing funding reform, mandatory adoption risks becoming either:

- Financially destabilising for councils, or
- Undermined through viability arguments.

One council noted that future work planning must consider the implications of adopting maintenance responsibilities for land where ownership remains with developers or management companies. If local authorities are expected to take on maintenance without holding legal title, clarity will be required on how rights, easements, and obligations are transferred or shared. This is particularly relevant where historic agreements are unclear or incomplete, and where adoption could create long-term liabilities for councils.

One council raised concerns that without statutory compulsion, planning authorities may be unable to require town and parish councils to adopt new open spaces associated with large developments. This could lead to dual or fragmented arrangements, which are inefficient and increase the administrative burden on local authorities.

4 Financial models and commuted sums

“It’s all about the money” was a recurring theme from member authorities.

4.1 Key issues

- Developers argue that high commuted sums undermine scheme viability.
- Councils cannot absorb long-term liabilities without secure funding.
- Private management contracts may only last 2–3 years, whereas councils must plan for 25–50 years.
- There is no guarantee of the longevity of management companies.
- Retrospective adoption of older estates raises unresolved questions:
 - Who funds remediation?
 - Who pays retrospective commuted sums?
 - What incentive exists for developers or management companies to contribute?

One council highlighted that in a two-tier system, the absence of any statutory duty on either tier of local government to provide or maintain public open space leaves associated services particularly vulnerable to budget reductions. Without a proportionate and sustained uplift in funding, the adoption of additional assets - especially those currently under private management – risks further reductions in maintenance standards.

One council noted that efficiency considerations increasingly intersect with issues of land ownership and the transfer of maintenance responsibilities from private management companies to local authorities. Historically, commuted sums were often linked to the transfer of public open space (POS) or play areas, sometimes with restrictive covenants. However, in many areas, land has been “adopted” for maintenance without a formal transfer of title, and the details of such arrangements can become unclear over time. This creates operational inefficiencies and complicates long-term planning for maintenance obligations.

4.2 Potential alternative models

APSE encourages the Government to explore:

- Ringfenced local authority estate service charges, transparently managed (similar in principle to Housing Revenue Accounts).
- Models where a modest borough-wide uplift funds public open space collectively, rather than concentrating costs on small groups of residents.
- National capitalisation support to allow councils to spread long-term maintenance liabilities.
- A clearer framework for retrospective adoption, including developer bond retention mechanisms.

Without national funding reform, increasing adoption will remain structurally constrained.

5 Governance, accountability and consumer protection

APSE agrees with the CMA's concerns regarding:

- Democratic deficit.
- Limited consumer protection.
- Opaque service charges.
- Lack of effective redress mechanisms.
- Market power imbalances.

Residents frequently ask why councils cannot simply "take over," unaware that authorities often lack funding or legal authority to do so.

Unlike councils, private companies:

- Are not directly democratically accountable.
- Can impose higher parking charges than local authorities.
- May restrict public access despite estates functioning as public realm.

If private management arrangements continue in any form, there must be:

- Statutory regulation of service charges.
- Clear transparency requirements.
- Stronger local authority oversight and enforcement powers.
- Defined public access rights.

APSE supports enhanced consumer protections and a robust enforcement regime.

6 Role of parish and town councils

Some members note that parish and town councils can provide a democratically accountable alternative, funded via precept. However:

- Coverage is inconsistent.
- Capacity varies significantly.
- Local Government Reorganisation may alter these dynamics.

One council emphasised that in a unitary authority context, the division of responsibilities between the planning authority and town/parish councils complicates the adoption of new open spaces. While the unitary council sets planning conditions and obligations, the day-to-day operation of parks and open spaces is often devolved to local partners. Without a statutory requirement for any tier to adopt new assets, there is a risk of fragmented arrangements, dual responsibilities, and increased resource pressures. This aligns with the survey's findings on the varied levels of integration within streetscene services.

One council highlighted that where land is currently managed by private management companies, any move toward local authority adoption would require consultation with existing property owners. This introduces additional legal and engagement demands, particularly where easements, drainage rights, or other title-based obligations exist. These complexities may influence the extent to which councils can rely on community partnerships or volunteer groups to

support maintenance of such areas.

Where parish adoption is considered, funding and long-term liabilities must be clearly addressed.

7 Design, standards and long-term risk

Authorities report a growing “time bomb” risk where:

- Poorly designed SuDS and drainage systems require expensive retrofitting.
- Play equipment and landscaping reach end-of-life without replacement funding.
- Developers exit sites quickly with limited long-term responsibility.

Thirty years ago, widespread adoption was standard practice. The shift toward private arrangements has coincided with:

- Increased commuted sum requirements.
- Greater viability pressures.
- Proliferation of non-standard materials and complex infrastructure.

Common adoptable standards must prioritise:

- Durability.
- Simplicity of maintenance.
- Whole-life costing.
- Avoidance of short-lifespan infrastructure that transfers future liability to residents or councils.

Some councils highlighted that service reviews should incorporate a detailed assessment of land ownership, historic adoption arrangements, and the legal mechanisms required for transferring maintenance responsibilities. In particular, councils stressed the need to understand whether future adoption models would involve transfer of title or merely transfer of maintenance obligations, and how this would affect long-term resource planning.

8 Retrospective estates

The consultation should give further consideration to existing estates already under private management arrangements.

Key questions include:

- Should there be a statutory route to public adoption?
- How are substandard assets remediated?
- Who funds backlog liabilities?
- Should developers retain longer-term bond obligations?

Without intervention, inequalities between estates will deepen.

9 Capacity and powers

For councils to manage neighbourhoods to a high standard, they require:

- Sustainable funding.
- Legal enforcement powers.
- Statutory parking enforcement powers equivalent to or exceeding those of private operators.
- Skilled technical staff.
- Certainty in adoption frameworks.

Local authorities cannot be expected to absorb expanding responsibilities without corresponding reform of local government finance.

10 Conclusion

APSE supports the Government's objective to reduce the prevalence of private estate management arrangements and restore fairness for homeowners.

However, successful reform requires:

- National funding reform.
- Common adoptable standards.
- Mandatory adoption of defined public amenities (with funding support).
- Strong consumer protection where private arrangements remain.
- Clear pathways for retrospective estates.
- Strengthened democratic accountability.

Without addressing the structural funding imbalance facing local authorities, private estate management will continue to increase due to financial pressures rather than policy preference.

We would welcome continued engagement with Government, including via the structured work being undertaken through the Future Homes Hub, to ensure reforms are deliverable, and sustainable.

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