

Notice of Motion

Motion to be moved by Councillor Haines:

Council notes that some recent “new build” residential developments oblige the freehold owner(s) to pay estate or service charges, such charges are colloquially referred to as “fleecehold”. These charges are often paid to private firms that are responsible for certain communal features on the new build estate. In practice, these charges are often difficult to challenge with little oversight on how the charges are used for the benefit of the community in which they live.

Council further notes that these charges come on top of Council Tax and not instead of, and that some homeowners and renters from across the area could end up being forced to pay exorbitant fees to estate management companies for services that other residents receive from the local Council.

Council believes that there is a lack of clarity and understanding as to what these charges are for, who operates the system of charges and the legal framework of accepting and challenging the fees.

Council resolves to call on the Government to work cross-party and consider a law change that would protect homebuyers by making sure all the required infrastructure is in place before new properties are built.

Council also resolves to ask the Overview and Scrutiny Management Committee to investigate the matter, seeking clarification on the legal status of these service charges, the use of them across the City and by whom, and to develop advice and guidance which can be published to relevant residents.

Sources:

<https://www.ivybridge-today.co.uk/news/mps-demand-regulation-on-fleecehold-property-firms-amid-backlash-787247>

<https://www.mortgagesolutions.co.uk/news/2024/06/13/labour-promise-to-build-1-5-million-homes-and-end-fleecehold-in-manifesto/>

<https://www.helenmorgan.org.uk/news/article/helen-morgan-demands-end-to-fleecehold-nightmare>