



## Cabinet Member for Housing

### Wandsworth Council

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**The Rt Hon Michael Gove MP**  
Secretary of State for Levelling Up, Housing and  
Communities and Minister for Intergovernmental  
Relations

16 November 2021

By Email

Dear Secretary of State,

### **REGULATION OF THE PROPERTY MANAGEMENT SECTOR**

I am writing to you about Wandsworth Council's experience of the leasehold property management sector, the need for increased oversight and/or regulation and what we believe must be considered in framing such requirements additional to the recommendations set out in Lord Best's 2019 report on the property agent sector<sup>i</sup>.

For context there are several reasons why lead members in Wandsworth have taken such a keen interest in this area and want to champion and see reform of and improvement in the property management sector. Notably almost 15,000 additional homes have been delivered in Wandsworth over the last decade with the significant majority of these being leasehold. Additionally, there has been more than a doubling of the number of shared ownership homes in the borough over the last 10 years with over 3,000 homes now available to low and middle income households. This means that almost 50% of all homes in Wandsworth are now leaseholder owned with most newly developed homes having been built on large mixed tenure estates along the Wandsworth river frontage and in the Nine Elms and Vauxhall Opportunity Area. Mixed tenure estates where it is not unusual to have multi layered leasehold

arrangements including ownership of residential blocks by housing associations with, in turn, flats sold on a shared ownership basis and services to the wider estate being provided through a lead managing agent.

Additionally, there is the learning we have and can share given our 40 years as a Council landlord of some 16,000 leasehold owned properties representing half of the Council's total stock.

## **BACKGROUND**

The relationship between property owners, developers, housing associations and their shared owner and leaseholder residents has over the last four years been bought into sharp focus by the fire safety issues faced by many thousands of homeowners. Some in the property management sector have acquitted themselves well by acting quickly to rectify cladding and fire safety issues whilst others by their response have highlighted more fundamental issues with a minority of the sector. Practices in fact in the property management sector that represent and reflect more broadly poor customer care and that are not acceptable by any standards or in any circumstances.

In terms of poor practice in the sector there are matters that Wandsworth Council, my ward member colleagues, and I have been approached about by resident leaseholders, which have raised concerns and can be summarised as:

- Poor communication (e.g., regularity, lack of contact and time it takes to obtain a reply when things go wrong).
- Lack of clarity between parties as to who is responsible for what services provided (e.g., disputes arising between a lead managing agent and a housing association as to who is responsible for lift and/or block or estate maintenance).
- Lack of transparency in respect to administrative charges, costs and billing (e.g., late billing and difficulties getting answers when there are queries over invoices).

- Value for money generally
- Poor quality of services and lack of redress where there is a failure to provide a service.

I have to stress that relative to the number of leaseholders in Wandsworth the level of resident concerns raised with the council is small. Nevertheless, the perception of the property management sector and levels of satisfaction generally with services provided by the sector is not where it should be as was identified, for instance, in the National Leaseholder Survey 2016<sup>ii</sup>.

## **IMPROVING PROPERTY MANAGEMENT SERVICES AND THE OFFER TO LEASEHOLDERS AND SHARED OWNERS**

We believe there is now a window of opportunity not only to drive up the quality of services provided to resident leaseholders but to also give clear guidance and if required set in place regulation for housing providers and their agents to perform and provide services to the highest standards and to be held account where they do not. Whilst broadly supporting Lord Best's recommendations there are four additional matters, we wish to raise given our experience which we hope you will consider.

Firstly, and more immediately we hope you, as Secretary of State, will support and encourage property managers to sign up to the Block Management Sector Code<sup>iii</sup> when it is agreed as an immediate signal of expectations of the sector to work to a baseline of good practice. Additionally, that you will provide a clear indication as to when legislation will be brought forward to implement any recommendations you intend to implement from Lord Best's report. A concern we have is that there are a number of voluntary best practice codes and charters, including the London Mayor's, which is under review, that are as likely to confuse resident leaseholders rather than assist. Consolidated guidance/policy supported by and from central government that has weight would greatly assist residents, local authorities and others in seeking to drive up standards and hold property managing agents to account.

Secondly, any additional regulation must not come at additional cost to leaseholders. Driving any relationship with shared owners and leaseholders is demonstrating how funds are spent and value for money. Increased regulation, including relating to fire safety must not lead to spiralling costs for leaseholders and the many thousands of shared owners.

Thirdly, that new regulations for the sector ensure that on mixed tenure developments block and estate management plans are produced that clearly set out responsibilities between parties for services and maintenance to reduce confusion and disputes between parties (e.g. between landowner/managing agent and housing associations owning homes and blocks on a private estate).

In our meetings with the developer and housing association sector there is clearly work to be done to get the relationships right between owners/lead managing agents and housing associations (as leaseholder owners of stock which is then rented or sold on to shared owners) as to responsibilities, billing and liaison. Guidance from the Government on this matter would greatly assist.

Fourthly, I and the Leader of the Council, Cllr Ravi Govindia, are of the firm view that a developer's responsibility to achieve a successful and sustainable new development does not stop when the last unit is sold or rented. It is evident and the expectation should be that the management arrangements put in place, particularly for larger multi tenure estates, must be hardwired into the design, delivery and property management arrangements put in place before completion. A high level of stewardship, which we believe is being demonstrated in large part by developers in Wandsworth (e.g. see Battersea Power Station), should be an expectation and one that at a local level (e.g. through our planning powers) and at a national level (through ministerial support and statements) we should be encouraging.

To conclude, the matters raised here are ones that are important to many thousands of our residents and that we have in turn discussed with leading developers and housing associations with significant levels of stock in Wandsworth. All want to deliver good quality services to their leaseholders and contribute to improving the property management sector in the right way. Therefore, I hope that the contributions

above are helpful and will be considered as plans for improving the sector are moved forward. Please feel free to contact our lead officers at Wandsworth Council if there is any further information your officers might require – contact details are provided above.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan Cook'.

Councillor Jonathan Cook  
Cabinet Member for Housing, Wandsworth Council

**CC: The Rt Hon Christopher Pincher MP – Minister of State for Housing  
Cllr Ravi Govindia CBE – Leader of Wandsworth Council  
Mark Maidment – Chief Executive for Wandsworth Council  
Brian Reilly – Director of Housing and Regeneration  
Chris Jones – Assistant Director of Housing**

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<sup>i</sup> [Regulation of Property Agents Working Group: final report \(publishing.service.gov.uk\)](#)

<sup>ii</sup> [Survey Report May 2016 v7f \(lease-advice.org\)](#)

<sup>iii</sup> <https://www.rics.org/uk/surveying-profession/contribute/consultations/block-management-sector-code-1st-edition/>