

My name is Ian Sanders, a Keynsham resident, here to talk about challenges on new housing developments.

Although there are many challenges, I will focus on one in particular that the Council:

- are uniquely placed to address; and
- will face significant financial risks if not addressed.

The challenge is that of what is effectively public, but legally private, infrastructure and amenities on developments that development residents fund through exorbitant service charges, effectively privately maintaining assets for public benefit. These assets would otherwise be paid for by the Council. For clarity they primarily include assets such play areas, green open spaces, drainage systems, etc.

These residents are considered to “pay twice” through council tax and service charges.

This model is driven by:

1. motivations of cost saving and revenue raising; and
2. enabled by significant imbalances and abuse of power between parties.

Councils actively seek to minimise their adoption of these assets, whilst developers seek to avoid the costs of delivering to what they refer to as “**adoptable standards**”.

The Competition and Markets Authority (the CMA) have explored solutions such as council tax discounts or mandating that councils adopt the assets. Government have endorsed, and are taking forward through consultations a number of the CMA recommendations, the two most significant are:

1. Defining common adoptable standards; and
2. Mandatory council adoption of all such assets.

Councils being forced to adopt assets below “adoptable standards” transfers increased capital and operational financial liabilities and risks from development residents to the Council. If the Council act now, to push adoptable standards and council adoption they can significantly reduce these liabilities and risks.

This ‘**minimised adoption, maximised service charge**’ challenge is the tip of the iceberg affecting the delivery and management new housing developments.

I invite the council to consider actions in BANES of:

1. Mitigate the aforementioned risks in the spirit of the recommendations through any s38 agreements.
2. Commissioning a lessons learned review of new housing development delivery in the context of the recommendations.