

Linked Content

At **Sir Richard's Drive** a huge amount of work has been led by Sally and Mark Newton supported by a core group of local residents, CRS and local politicians, including Preet Gill MP and Cllr Sam Forsyth. In addition, local resident and lawyer Mukesh Murria has worked on a pro bono basis facilitating the process and helping set up their company. The outcome is positive; the group has reached a Heads of Terms agreement with CE for the purchase. They have set up a Company limited by Guarantee (The Green Harborne Limited) and are opening a bank account. The latter should be complete within two weeks. They will then be able to then take donations. The amounts pledged to date will comfortably cover the purchase. In the longer term they are seeking to establish a charitable organization, but this will not be possible in time for the purchase itself which must be completed by the end of September.

Hampshire Drive is the first sale of a **road** on the Estate and thus serves as a possible prototype. Progress to date includes engagement of over 75% of freeholders and steps toward the formation of a Residents Management Company with appointment of directors and opening of a bank account. Residents are seeking their own valuation of the road and are engaging with a solicitor to advise and assist with the purchase. Negotiations will then proceed with CE.

CRS guide to purchasers CRS understands that across the Estate, residents are organising toward their own prospective purchases. To this end, CRS is drafting a guide with resources that should be available soon. We have solicitors and valuers who may be of help, so please ask! In addition, Calthorpe Estates has been requested to draw up a template that could also be of value and certainly save everyone from "re-inventing the wheel".

The Scheme of Management (the Scheme) is coming up time and again in questions around the sales. Set out below are our observations about the Scheme and the impact of CE's land sales on it, which may help to answer some of these questions.

- CE created the Scheme as a legal device to ensure that they could enforce positive obligations imposed on owners of properties when they enfranchised (i.e. when they bought their freehold). CE have made it clear that their sale of freehold areas of land does not count as a variation of the Scheme (under clause 37) and that the Scheme still stands. CE have sold lots of freehold interests within the estate over the last 50 years
- Clause 1 of the Scheme defines the Owner as the person owning the freehold of an enfranchised property. With specific regard to the roads and green spaces, critically, because the Scheme when set up was only intended to apply to enfranchised properties, CE refer to the Scheme in the legal documentation and require buyers to observe the obligations in the Scheme on the same basis as if the buyers were an "Owner" of enfranchised property. None of these sales involves taking them out of the Scheme

What follows is our current understanding of the impact of land and road sales on the Scheme and the charges raised on Owners. The Scheme specifically includes two types of charges:

1. **An annual management fee:** The Scheme imposes on all Owners of properties, whether on Council adopted roads or private roads, certain obligations in maintaining their properties and their conduct with respect to neighbours etc. **Clause 31** levies an **annual management fee** each December on all the Owners of enfranchised properties. This is used by CE to meet the costs of managing the general estate. **This annual management fee will not change because of the proposed sales of land or roads. For every individual property owner, CE will continue to operate the Scheme and collect the annual management fee**
2. **An annual service charge:** **Clause 23** of the Scheme imposes on Owners of enfranchised properties **located on private roads** the obligation to pay CE for the management and maintenance of those private roads and associated areas through an **annual service charge**. **The sale of private road means that clause 23 no longer applies and this obligation is not transferred to any new Owner.** This obviously presents issues for the maintenance and upkeep of the roads following their sale which are currently being examined by those residents facing the imminent sale of their roads