



COMMONHOLD AND LEASEHOLD REFORM ACT 2002

# CONSULTATION

*for Council and other public sector landlords*

# S.20

# Contents



<i>Introduction to the new procedures</i> .....	3
<i>Qualifying works</i> .....	4
<i>Qualifying long-term agreements</i> .....	4
<i>The role of the First-tier Tribunal (Property Chamber) and dispensation</i> .....	5
<i>Who must be consulted?</i> .....	6
<i>Nomination of contractors from leaseholders</i> .....	6
<i>Nominated contractors</i>	
<i>Council criteria for contractors</i>	
<i>Contracts requiring advertisement within the EU</i> .....	7
<i>How many notices must be served?</i> .....	7
<i>How long will the consultation take?</i> .....	7
<i>Some general rules about the procedures</i> .....	9
<i>Inspection of notices, estimates etc</i>	
<i>The duty to have regard</i>	
<i>New right-to-buy leaseholders</i>	
<i>Connections between landlords and contractors</i>	
<i>Schedule 1</i> .....	10
<i>Consultation for a qualifying long-term agreement</i>	
<i>Appendix 1</i> .....	12
<i>Notice of intention to enter into a long-term agreement</i>	
<i>Appendix 2</i> .....	14
<i>Notice of proposals to enter into a long-term agreement</i>	
<i>Appendix 3</i> .....	15
<i>Notice of reasons for making a long-term agreement</i>	
<i>Schedule 2</i> .....	16
<i>Consultation for a qualifying long-term agreement where public notice is required</i>	
<i>Appendix 4</i> .....	18
<i>Notice of intention to enter into an agreement where public notice is required</i>	
<i>Appendix 5</i> .....	19
<i>Notice of proposals to enter into a long-term agreement where public notice is required</i>	
<i>Schedule 3</i> .....	20
<i>Consultation requirements for qualifying works under a qualifying long-term agreement</i>	
<i>Appendix 6</i> .....	21
<i>Notice of intention to carry out works under a long-term agreement</i>	
<i>Schedule 4 (Part 1)</i> .....	22
<i>Consultation requirements for qualifying works where public notice is required</i>	
<i>Appendix 7</i> .....	24
<i>Notice of intention to carry out works where public notice is required</i>	
<i>Appendix 8</i> .....	25

(continued overleaf)

<i>Contract statement in relation to works where public notice is required</i>	
<i>Schedule 4 (Part 2).....</i>	<i>26</i>
<i>Consultation requirements for qualifying works</i>	
<i>Appendix 9 .....</i>	<i>28</i>
<i>Notice of intention to carry out works</i>	
<i>Appendix 10 .....</i>	<i>29</i>
<i>Statement of estimates in relation to proposed works</i>	
<i>Appendix 11 .....</i>	<i>30</i>
<i>Notice of reason for awarding a contract to carry out proposed works</i>	
<i>Useful addresses .....</i>	<i>32</i>

## *Introduction to the new procedures*

This leaflet gives an overview of revised procedures for consulting Council leaseholders. It also highlights issues raised by the new procedures which are particular to Councils and their leaseholders. Draft notices are included in this leaflet; these contain the minimum information which must be contained in each notice. In practice, notices served will vary according to the circumstances of each Council and the contract on which leaseholders are being consulted.

This leaflet is not meant to describe or give a full interpretation of the law; only the courts can do that. Nor does it cover every case. If you are in any doubt about your rights and duties, then seek specific advice.

### THE COMMONHOLD & LEASEHOLD REFORM ACT 2002, SECTION 151

The law requires that the leaseholder must be consulted before the landlord carries out qualifying works or enters into a long-term agreement for the provision of services.

The Commonhold and Leasehold Reform Act 2002, Section 151, introduces new requirements for the statutory consultation of leaseholders. It replaces the old statutory consultation procedure (Landlord & Tenant Act 1985, Section 20), but the title 'Section 20' is retained.

Detailed regulations have been enacted under Section 151 which set out the precise procedures landlords must follow; these are the Service Charges (Consultation Requirements) (England) Regulations 2003 ('the 2003 service charge regulations'). These regulations separate the consultation procedures into four schedules, each covering different contracts.

The new provisions introduce different, more complicated, procedures and extend the consultation requirements to include long-term contracts for services. These new procedures have effect from 31 October 2003 (not Wales).

There are new requirements for the landlord to state why he considers the works or the agreement to be necessary and for further statements setting out his response to observations received and his reasons for selection of the successful contractor.

Consultation notices must be sent both to individual leaseholders and to any recognised tenants' associations (RTAs); both the leaseholders and the RTA have a right to nominate an alternative contractor and the landlord must try to obtain an estimate from such nominees.

The new procedures provide for two separate 30-day periods for leaseholders to make observations and landlords would be prudent to allow a minimum of three to four months for the whole process.

**The new requirements are defined under two headings:**

- **qualifying works**
- **qualifying long-term agreements**

While the principal purpose of the consultation process is to seek the leaseholders' views on the landlord's proposals, the effect of the provisions is to limit the landlord's ability to recover if he does not comply. If the landlord fails to carry out the full consultation procedures, in the correct manner, he is not able to collect or recover service charges above the level of the statutory minimum amounts, that is, £100 per leaseholder per year in respect of a long-term contract,

or £250 per leaseholder for works to the building. The landlord will have to cover the loss himself, which may have implications for the Housing Revenue Account and, possibly, the District Auditor.

## Qualifying works

These are the same works previously included within the old S.20 requirements (that is, 'works on a building or any other premises') with the addition of works of improvement.

**When calculating the estimated cost, VAT on works must be included.** It had been thought that landlords must consult if these works will cost over £250 for *any one* leaseholder. Thus, in a property with unequal service charge contributions, the landlord must consult all leaseholders if any one leaseholder would have to pay more than £250.

If consultation is not undertaken, the landlord will not be able to collect service charges over £250 per leaseholder.

The consultation requirements for qualifying works are contained in Schedules 3 and 4 of the 2003 service charge regulations.

A case in the High Court in 2013 (*Phillips and others v Francis*) has cast doubt on whether there is a cost threshold below which landlords do not need to consult on qualifying works. At present no definitive guidance can be given on this point and it will be a matter for the courts and Tribunals to interpret this decision.

## Qualifying long-term agreements

This is an entirely new concept. A qualifying long-term agreement is an agreement entered into by the landlord with a wholly independent organisation or contractor for a period of *more than 12 months* after 31 October 2003. (Agreements before this are exempt.) Although it is not spelt out in the Act, it is safest to assume that this would include ongoing contracts with no specific termination date.

Landlords must consult where the amount payable by *any one* contributing leaseholder exceeds £100 in any one year. Thus, in a property with unequal service charges, the landlord must consult all leaseholders if any one leaseholder would have to pay over £100 in any one year. The figure is to be calculated on the basis of the leaseholder's total contribution resulting from the agreement, including VAT (and any associated management or administrative costs which flow specifically from the proposed agreement).

If consultation is not undertaken, the landlord will not be able to collect service charges over £100 per leaseholder, per year.

The consultation requirements for qualifying long-term agreements are contained in Schedules 1 and 2 of the 2003 service charge regulations.

### Examples of potential qualifying long-term agreements include:

- agreements affecting the building generally (eg lifts, entry-phone systems, waste management or maintenance contracts);
- cleaning and gardening;
- insurance;
- utilities.

Some of these services may only have one realistically possible supplier. Nonetheless, consultation must be carried out, or dispensation must be sought from the Tribunal (*see page 5 below*).

### Contracts that are not qualifying long-term agreements include:

- contracts of employment;
- management agreements made by a local housing authority and a tenant management organisation (TMO), or a body established under Section 2 of the Local Government Act 2000 (or Section 1 of the Localism Act 2011 which came into force in 2012), such as an Arm's Length Management Organisation (ALMO);
- an agreement between a holding company and its subsidiary, or between subsidiaries of the same holding company (the definitions following those in the Companies Act 1985);
- an agreement for less than five years which was entered into at a point when there were no tenants or leaseholders at the property (for example, on a new development);
- an agreement for more than twelve months which was entered into before 31 October 2003.

*Note: where the long-term agreement includes provision for the carrying out of works to the property (for example, a schedule of rates agreement for general maintenance), and these works will result in a charge to any leaseholder of more than £250, then a separate consultation must be carried out under the provisions of Schedule 3. The original consultation under Schedules 1 or 2 in respect of the agreement itself does not provide any exemption from consultation for the works.*

*This requirement for consultation for works equally applies in cases of long-term agreements entered into prior to 31st October 2003 where no consultation on the agreement was required.*

## *The role of the First-tier Tribunal (Property Chamber) and dispensation*

The Tribunal has powers to determine Section 20 matters. This includes the power under S20ZA (I) to dispense with the consultation requirements in a particular case 'if satisfied that it is reasonable to dispense with the requirements'.

The Supreme Court in a case in 2013 set out its views on how Tribunals should deal with applications for dispensation from landlords (*Daejan v Benson*).

The purpose of the Regulations is to ensure that lessees are protected from (a) paying for inappropriate works, or (b) paying more than would be appropriate. In considering dispensation requests, the Tribunal should focus on whether the lessees were prejudiced in either respect by the failure of the landlord to comply with the Regulations (relevant prejudice).

Where a landlord has failed to comply with the Regulations, there may often be a dispute as to whether the lessees would suffer relevant prejudice if an unconditional dispensation was granted. While the legal burden is on the landlord throughout, the factual burden of identifying some relevant prejudice is on the lessees. They have an obligation to identify what they would have said, given that their complaint is that they have been deprived of the opportunity to say it. Once the lessees have shown a credible case for prejudice, the Tribunal should look to the landlord to rebut it and should be sympathetic to the lessees' case.

Insofar as the lessees will suffer relevant prejudice, the Tribunal should, in the absence of some good reason to the contrary, effectively require the landlord to reduce the amount claimed to compensate the lessees fully for that prejudice.

The power to grant dispensation is not 'all or nothing'. The Tribunal has power to grant dispensation on appropriate terms and can impose conditions on the grant of dispensation including a condition as to costs that the landlord pays the lessees' reasonable costs incurred in connection with the dispensation application.

### *Who must be consulted?*

Under the new procedures, leaseholders and recognised tenants' associations have equal rights to consultation. Consultation notices must be sent both to individual leaseholders and to any RTAs.

A RTA is an association formally recognised by the landlord, or by a Rent Assessment Committee, under Section 29, Landlord and Tenant Act 1985. Not all Councils will have a RTA.

### *Nomination of contractors from leaseholders*

Under the new procedures, landlords must invite leaseholders to nominate possible contractors in respect of certain contracts that fall under Schedule 1 and Schedule 4 (Part 2) of the 2003 service charge regulations.

The Act does not require that contractors nominated by leaseholders or RTAs should be wholly unconnected with the leaseholder or RTA concerned, but no doubt a landlord will take such factors in account when formulating proposals.

### *Nominated contractors*

- if a single nomination is made by a RTA (whether or not a nomination is also made by any leaseholder), the landlord must try to obtain an estimate from the nominated contractor;
- if a single nomination is made by only one leaseholder (whether or not a nomination is also made by a RTA), the landlord must try to obtain an estimate from the nominated contractor;
- if single nominations are made by more than one leaseholder (whether or not a nomination is made by a RTA), the landlord must try to obtain an estimate:
  - (i) from the contractor who received the most nominations; or
  - (ii) if there is no clear leader, but two (or more) tie for first place, from one of those; or
  - (iii) if there are a number of nominations from more than one leaseholder, but no contractor has more than one nomination, from any nominated contractor;
  - (iv) if multiple nominations are made by one leaseholder and by a RTA, the landlord must try to obtain an estimate from at least one nominated contractor from each list.

### *Council criteria for contractors*

The Act does not lay down the terms within which the landlord approaches leaseholders' nominees when seeking to obtain estimates for works or services. Most will require certain fundamental criteria from their contractors (for example, public liability insurance, valid tax exemption certificate, confirmation of VAT status, copies of health and safety policy and confirmation of company status).

Councils are subject to a number of regulations when selecting contractors. When letting works contracts, contractors must be on an approved list of contractors, or qualify for placing on such a list.

Landlords will have to justify their selection procedures to the Tribunal, if challenged. If they fail to convince the Tribunal in a particular case – for example, if the Tribunal considers the selection criteria to be too restrictive or anti-competitive – there is a risk that the consultation procedure could be disallowed.

It is suggested that landlords make their criteria part of their requests for tenders from nominated contractors, to make clear that meeting the criteria is a necessary condition of any contract which may be awarded.

Alternatively, there may be some merit in including a brief statement on the selection criteria with the Initial Notice to the leaseholders when inviting nominees; this can make clear to the leaseholders that any nominated contractor will need to satisfy the requirements in order to be seriously considered for the contract.

The widening of the ability to nominate contractors is clearly intended to provide a greater openness and encourage competition in order to deliver what can be seen as fair and reasonable charges to the tenants. Therefore a degree of caution may be appropriate in the initial packaging of contracts, say for a number of estates, which might preclude nomination of smaller contractors.

## *Contracts requiring advertisement within the EU*

The 2003 service charge regulations refer to contracts ‘for which public notice is required’. This is a reference to contracts where the sum involved will be of a level where EU procurement rules apply and the proposed contract must be advertised by public notice in the Official Journal of the European Union (OJEC).

Public notice is required for works contracts as well as contracts for the supply of goods or services with a value above certain thresholds, set by the European Union. For current thresholds, see [www.ojec.com/Thresholds.aspx](http://www.ojec.com/Thresholds.aspx)

While the opinions and views of leaseholders must be invited and considered, leaseholders do not have the right to nominate a contractor for these contracts. These contracts are covered by Schedules 2 and 4 (Part 1) of the 2003 service charge regulations.

In that the regulations refer to contracts for which public notice is *required*, it does not seem possible to use the shorter procedures of Schedules 2 and 4 (1) on the basis of a discretionary use of OJEC; the consultation would not be valid.

## *How many notices must be served?*

Councils will now have to serve consultation notices on leaseholders at the following three stages in the process of awarding a contract:

- the pre-tender stage – notice of intention; and
- the tender stage – notification of landlord’s proposals (estimates); and
- in some cases, the award of contract stage – notification of the award of contract.



## *How long will the consultation take?*

The whole process will generally take much longer, probably more than three months. This is for the following reasons:

- leaseholders have 30 days to respond to a notice of intention served at the pre-tender stage. (no longer 'one month' but a precise 30 days);
- if a contractor is nominated by a leaseholder(s), the contractor will have to be invited to tender;
- if contractors nominated by leaseholders submit a tender, councils must check whether the contractor meets the necessary criteria (eg approved list etc);
- observations from leaseholders must be responded to in writing;
- landlords must make a summary of the observations and responses to the notice of intention (first notice), which must be sent to leaseholders with the notice of landlord's proposals (second notice) or made available for inspection;
- leaseholders have a further 30 days to respond to the notice of landlord's proposals served at the tender stage.

It is important that an adequate period is allowed for in any relevant scheme and that internal arrangements within the Council are sufficiently flexible to deal with the requirements of the process.

## *Some general rules about the procedures*

### *Inspection of notices, estimates, etc*

In all cases, where the landlord is under a duty to provide facilities for inspection of documents, the place and hours for inspection must be reasonable, and facilities and copies must be available free of charge.

It is probable that the provision of such facilities, and the management, administrative and ancillary costs which flow from the new consultation requirements will lead to increased costs to the service charge, and thus, in due course, to the leaseholders.

### *The duty to have regard*

In any case where a landlord receives written observations during a consultation period, it has a duty to 'have regard to' them. There is no statutory definition of regard; neither is there an immediate sanction for failure to have regard. However, a landlord is on several occasions required to state how regard was had to the observations received, and if it is unable to show that it has acted within the spirit of the Act from this point of view, the Tribunal may determine that the consultation procedure has not been followed properly.

### *New right-to-buy leaseholders*

Where a new right-to-buy lease is granted part of the way through any of the new consultation procedures, a landlord need not start again or send any missed notices. The manager need only bring the new leaseholder into the next stage of the consultation process that applies 31 days after the new lease commenced.

In cases where the ownership of the flat changes hands during the procedure, by assignment of the lease, it may be assumed that the new leaseholder has received copies of the previous documentation from the vendor; it is not necessary to re-start the process.

### *Connections between landlords and contractors*

Schedules 1, 2 and 4 require that at least one of the estimates provided must be from a contractor 'wholly unconnected' with the landlord. The 'connection' is defined in a set of criteria common to each schedule; essentially these are:

- where the landlord is a company, if the contractor, or any partner of the contractor, is a manager, director or close relative of a manager or director of the company;
- similarly, where the contractor is a company and the landlord or a partner of the landlord is a manager or director or close relative of a manager or director of the company;
- where both the landlord and the contractor are companies, if there is any manager or director in common.

*Last reviewed September 2013*

## Schedule 1

### Consultation requirements for a qualifying long-term agreement

If Councils do not comply with these procedures, each leaseholder's contribution towards the cost of the goods or service supplied or works carried out under the contract is limited to £100 a year. Leaseholders must be consulted about the choice of contractor. There are three stages of consultation.

#### 1. Pre-tender consultation

Notice of intention (Section 20 notice no. 1)  
– 30-day consultation period.

This notice must be sent to each leaseholder who will be affected by the contract and the recognised tenants association (RTA), if there is one.

This notice must:

- advise that the landlord intends to enter into an agreement;
- describe the works or services to be provided, or specify a reasonable place and hours at which a description can be inspected;
- state the landlord's reasons for considering such an agreement to be necessary;
- if the contract includes qualifying works, state the landlord's reasons for considering it necessary to carry out those works;
- inform leaseholders that they have 30 days from the date of the notice in which to make written observations, specifying where they should be sent, and by what date;
- inform leaseholders that they have the right to nominate a contractor that they feel should be invited to tender for the work and that they have 30 days in which to make their nomination;
- invite each tenant and the RTA (if any) to nominate a contractor from whom the landlord should try to obtain an estimate.

If facilities to provide copies of the description of the contract are not made available at the times at which the description may be inspected, then copies must be provided free on request.

#### Duty to have regard to observations

The landlord must 'have regard to' any observations made.

#### Estimates

The landlord will then seek estimates from its chosen contractors but must also 'try to obtain' estimates from contractors nominated by leaseholders and/or a RTA.

*Criteria on which contractors nominated by leaseholder and/or a RTA should be invited to tender are set out on page 6.*

#### 2. Tender-stage consultation

##### Preparation of landlord's proposals

- the landlord shall prepare at least two proposals (estimates) as to the services, goods, works etc;
- at least one of the proposals must be from a contractor wholly unconnected with the landlord;
- furthermore, if nominations are received, the proposals must also include:
  - an estimate from a contractor nominated by a leaseholder (if obtained);
  - an estimate from a contractor nominated by a RTA (if obtained).

**Notification of landlord's proposals (Section 20 notice no. 2)  
– 30-day consultation period.**

1. The landlord must give notice of the proposals to each tenant and to the RTA (if there is one).
2. There must be at least two proposals prepared.
3. Each proposal must contain:
  - a statement of the relevant matters;
  - a statement of name and address of each party to the proposed agreement apart from the landlord;
  - any connection (apart from the proposed agreement) between the party and the landlord;
  - the leaseholder's estimated contribution where reasonably practicable;
    - otherwise, the cost for the building or the premises, where reasonably practicable;
    - otherwise, the current unit cost, hourly or daily rate, where reasonably practicable.
  - where the landlord proposes to appoint an agent to be responsible for the management of the property, each proposal must contain a statement indicating:
    - whether the proposed agent is or is not a member of a professional body or trade association, and, if so, which one; and
    - whether the proposed agent does or does not subscribe to any code of practice or voluntary accreditation scheme relevant to the functions of managing agents.
  - the provisions for the variation of any amount under the proposed agreement;
  - the intended duration of the agreement;
  - a summary of any observations received by the due date and the landlord's responses.
4. The notice must include a copy of each proposal or specify a (reasonable) place and hours where they can be inspected.
5. If facilities to provide copies are not available at the place specified in 4, then copies must be provided free on request.
6. The notice must:
  - i. invite the making in writing of observations on the proposals;
  - ii. specify the address to which the observations must be sent;
  - iii. state when the 30-day period for consultation ends;
  - iv. inform that all observations must be received by that date.

The Schedule provides no obligation to make all of the estimates received available for inspection, only those relating to the proposals made to the leaseholders.

**Duty to have regard to observations**

The landlord must 'have regard to' any observations made by the due date.

### 3. Award of contract

#### Notification of the award of contract (Section 20 notice no. 3) – 21-day response period

Within 21 days of entering into the agreement the landlord must send a notice to each leaseholder and the RTA which:

- states the reasons for awarding the contract, or giving the place and hours where those reasons may be inspected; and
- gives a summary of leaseholders' observations on the estimates and the responses to them or a place and hours where they may be inspected.

This notice is not required where the contract has been awarded to:

- a nominated contractor; or
- the lowest tender.

## Appendix 1

### Notice of intention to enter into a long-term agreement

*NB – this notice must be sent to each individual leaseholder.*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. It is the intention of *(insert name of landlord or manager)* to enter into a long-term agreement in respect of which we are required to consult leaseholders *(see Note 1 below)*.

2. The (goods)(services)(works) to be provided under the agreement are as follows: *(insert a general description of the subject-matter of the agreement)*  
*or*

3. A description of the (goods) (services) (works) to be provided under the agreement may be inspected at: *(insert place and hours for inspection)*  
*(see Note 2 below)*.

4. We consider it necessary to enter into the agreement because:  
*(insert statement of reasons; where the matters to be provided consist of or include qualifying works, state the reasons why you consider the works necessary)*.

5. We invite you to make written observations in relation to the proposed agreement by sending them to: *(address of landlord or manager)*. Observations must be received within the consultation period of 30 days from the date of this notice, and the consultation period will end on: *(insert date 30 days from the date of the notice)* *(see Note 3 below)*.

6. We also invite you to propose, within 30 days from the date of this notice, the name of a person from whom we should try to obtain an estimate in respect of the matters described in paragraph 2 above  
*(see Note 4 below)*.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

## Notes

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by Section 30 of the 1985 Act) must consult leaseholders who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under a qualifying long-term agreement, where the contribution of any one leaseholder exceeds £100 in any accounting period. 'Qualifying long-term agreement' is defined by Section 20ZA of the 1985 Act.

2. Where a notice specifies a place and hours for inspection:
- the place and hours so specified must be reasonable; and
  - a description of the relevant matters must be available for inspection, free of charge, at that place and during those hours.

If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the description.

3. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants' association. 'Recognised tenants' association' is defined by Section 29 of the 1985 Act.

4. 1. Where a single nomination is made by a recognised tenants' association (whether or not a nomination is made by any leaseholder), the landlord shall try to obtain an estimate from the nominated person.
2. Where a single nomination is made by only one leaseholder (whether or not a nomination is made by a recognised tenants' association), the landlord shall try to obtain an estimate from the nominated person.
3. Where a single nomination is made by more than one leaseholder (whether or not a nomination is made by a recognised tenants' association), the landlord shall try to obtain an estimate
- from the person who received the most nominations; or
  - if there is no such person, but two (or more) persons received the same number of nominations, being a number in excess of the nominations received by any other person, from one of those two (or more) persons; or
  - in any other case, from any nominated person.
4. Where more than one nomination is made by any leaseholder and more than one nomination is made by a recognised tenants' association, the landlord shall try to obtain an estimate
- from at least one person nominated by a leaseholder; and
  - from at least one person nominated by the association, other than a person from whom an estimate is sought as mentioned in paragraph (a).

## Appendix 2

### Notice of proposals to enter into a long-term agreement

NB – this notice must be sent to each individual leaseholder.

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. This notice is given following the notice of intention to enter into a long-term agreement issued on: *(insert date of notice of intention)*. The consultation period in respect of the notice of intention ended on: *(insert relevant date)*.

2. We have now prepared *(insert number, at least two)* of proposals in respect of the (goods)(services)(works) to be provided under the agreement based on the estimates received, and [a copy of each proposal accompanies this notice] or [copies of the proposals may be inspected at: *(insert place and hours for inspection)*] *(see Notes 1 and 2 below)*.

3. We invite you to make written observations in relation to the proposals by sending them to: *(address of landlord or manager)*. Observations must be received within the consultation period of 30 days from the date of this notice, and the consultation period will end on: *(insert date 30 days from the date of the notice)* *(see Note 3 below)*.

4. We did not receive within the consultation period any written observations in relation to the notice of proposals given on: *(insert date of notice of proposals)* *(see Note 3 below)*

*or*

4. The written observations in relation to the proposals received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)* *(see Note 3 below)*

*or*

4. A summary of the written observations received during the consultation period, together with our response to them, may be inspected at: *(specify place and hours for inspection)* *(see Notes 2 and 3 below)*.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)')*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

### Notes

1. The landlord is required to prepare at least two proposals in respect of the matters described in a notice of intention. These need not relate to the two lowest estimates. At least one of the proposals must be that goods or services are provided, or works are carried out, by a person wholly unconnected with the landlord. Where an estimate has been obtained from a person nominated by leaseholders, the landlord must prepare a proposal based on that estimate. Each proposal must contain a statement of the intended duration of the agreement.

Each proposal should state the estimated contribution relevant to the leaseholder's unit of occupation. If it is not reasonably practical to provide that information, the landlord may provide the overall cost

estimated under the agreement or a unit cost or a daily or hourly rate.

2. Where a notice specifies a place and hours for inspection:
  - (a) the place and hours so specified must be reasonable; and
  - (b) copies of the proposals must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the proposals may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the proposals.
3. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants' association. 'Recognised tenants' association' is defined by section 29 of the 1985 Act.
4. Where a landlord has received written observations within a consultation period in relation to a notice of proposals to enter into a long-term agreement, he is required to summarise the observations and respond to them within a notice of his reasons for making the agreement or specify the place and hours at which that summary and response may be inspected.

## Appendix 3

### Notice of reasons for making a long-term agreement

*NB – this notice must be sent to each individual leaseholder.*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. This notice is given following the consultation with leaseholders on a notice of proposals to enter into a long term agreement issued on: *(insert date of notice of proposals)*. The consultation period in respect of the notice of proposals ended on: *(insert relevant date)*.

2. We have now entered into an agreement for provision of the (goods) (services)(works) first described in the notice of intention dated *(insert date of notice of intention)* with *(name of chosen contractor)*.

3. Our reasons for doing so are: *(state reasons) (see Note 1 below)*.

*or*

3. A statement of our reasons for doing so may be inspected at: *(specify place and hours for inspection) (see Notes 1 and 2 below)*.

4. We did not receive within the consultation period any written observations in relation to the notice of proposals given on: *(insert date of notice of proposals) (see Note 3 below)*

*or*

4. The written observations in relation to the proposals received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response) (see Note 3 below)*.

*or*

4. A summary of the written observations received during the consultation period, together with our response to them, may be inspected at: *(specify place and hours for inspection) (see Notes 2 and 3 below)*.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)' )*



Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

### Notes

1. Landlords do not need to send out this notice of reasons and summary/responses if:
  - (a) the chosen contactor was nominated by a leaseholder or RTA; or
  - (b) the chosen contractor was the person who submitted the lowest estimate.
2. Where a notice specifies a place and hours for inspection:
  - (a) the place and hours so specified must be reasonable; and
  - (b) copies of the documents must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the documents may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the documents.
3. Where a landlord has received written observations within a consultation period in relation to a notice of proposals to enter into a long-term agreement, he is required to summarise the observations and respond to them within a notice of his reasons for making the agreement or specify the place and hours at which that summary and response may be inspected.

## Schedule 2

*Consultation requirements  
for a qualifying  
long-term agreement  
where public notice  
is required*

Leaseholders are not consulted about the choice of contractor. There are two stages of consultation.

### 1. Pre-tender consultation

Notice of intention (Section 20 notice no. 1)

– 30-day consultation period.

A notice that the landlord intends to enter into an agreement must be sent to each leaseholder who will be affected by the contract and the RTA (if there is one).

This notice must:

- describe the relevant matters in general terms or specify a (reasonable) place and hours where they can be inspected;
- state the landlord's reasons for considering such an agreement to be necessary;
- where the relevant matters consist of or include qualifying works, state the landlord's reasons for considering them necessary;
- state that the reason why the landlord is not inviting recipients of the notice to nominate contractors from whom he should try to obtain an estimate is that public notice is to be given;
- invite observations in writing;
- give the address to which such observations must be sent;
- give the date on which the consultation period ends (30 days) and indicate that any observations must be sent by this date.

If facilities to provide copies of the documents are not available at the place specified in the notice, then copies must be provided free on request.

### **Duty to have regard to observations**

The landlord must 'have regard to' any observations made by the due date.

## ***2. Tender-stage consultation***

### **Preparation of landlord's proposal**

The landlord must prepare a proposal in respect of the proposed agreement

### **Notification of landlord's proposal (Section 20 notice no. 2) – 30-day consultation period).**

1. The landlord must give notice of the proposal to each tenant and to the RTA (if there is one).
2. The proposal prepared by the landlord must contain:
  - a statement:
    - of the name and address of every party to the proposed agreement (other than the landlord);
    - of any connection between the landlord and any other party (apart from the proposed agreement).
  - the leaseholder's estimated contribution where reasonably practicable;
    - otherwise, the estimated cost for the building or the premises, where reasonably practicable;
    - otherwise, the current unit cost, hourly or daily rate, where reasonably practicable;
    - otherwise, the reasons the cost information cannot be provided and the date when an estimate, cost or rate will be provided. When the information is available, it must be provided within 21 days of its receipt;
  - where the landlord proposes to appoint an agent to be responsible for any part of the contract, each proposal must contain a statement indicating:
    - whether the proposed agent is or is not a member of a professional body or trade association and if so, which one; and
    - whether the proposed agent does or does not subscribe to any code of practice or voluntary accreditation scheme relevant to the functions of managing agents;
  - The intended duration of the proposed agreement;
  - A summary of any observations received by the due date and the landlord's responses.
3. The notice must include a copy of the proposal or specify a (reasonable) place and hours where it can be inspected.
4. If facilities to provide copies of the documents referred to in [3] are not available at the place specified there, then copies must be provided free on request.
5. The notice must specify the address to which observations may be sent and when the 30 day period for this ends.
6. It must state that they must be delivered by the due date.

### **Duty to have regard to observations**

The landlord must 'have regard to' any observations made by the due date.

#### Landlord's response to observations

Where observations are made, the landlord must respond directly in writing to the leaseholder within 21 days of receipt stating his response to the observations (NB – this must take the form of individual replies, not a general notice to all recipients of the previous notice).

## Appendix 4

### *Notice of intention to enter into a long-term agreement where public notice is required*

*NB – this notice must be sent to each individual leaseholder.*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. It is the intention of *(insert name of landlord or manager)* to enter into a long-term agreement in respect of which we are required to consult leaseholders *(see Note 1 below)*.

2. The (goods)(services)(works) to be provided under the agreement are as follows: *(insert a general description of the subject matter of the agreement)*

*or*

2. A description of the (goods)(services)(works) to be provided under the agreement may be inspected at: *(insert place and hours for inspection)* *(see Note 2 below)*.

3. We consider it necessary to enter into the agreement because: *(insert statement of reasons; where the matters to be provided consist of or include qualifying works, state the reasons why you consider the works necessary)*.

4. We invite you to make written observations in relation to the proposed agreement by sending them to: *(address of landlord or manager)*. Observations must be received within the consultation period of 30 days from the date of this notice, and the consultation period will end on: *(insert date 30 days from the date of the notice)* *(see Note 3 below)*.

5. The reason why you are not invited to propose a person from whom we should try to obtain an estimate is because the proposed agreement requires public advertisement within the European Community.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

#### Notes

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by section 30 of the 1985 Act) must consult leaseholders who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under a qualifying long-term agreement, where the contribution of any one leaseholder exceeds £100 in any accounting period. 'Qualifying long-term agreement' is defined by section 20ZA

of the 1985 Act.

2. Where a notice specifies a place and hours for inspection:
  - (a) the place and hours so specified must be reasonable; and
  - (b) a description of the relevant matters must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the description.
3. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants' association. 'Recognised tenants' association' is defined by section 29 of the 1985 Act.
4. There is no right of nomination of alternative contractors where public notice is required.

## Appendix 5

### *Notice of proposals to enter into a long-term agreement where public notice is required*

*NB – this notice must be sent to each individual leaseholder.*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. This notice is given following the notice of intention to enter into a long-term agreement issued on: *(insert date of notice of intention)*.

The consultation period in respect of the notice of intention ended on: *(insert relevant date)*.

2. We have now prepared a proposal in respect of the (goods)(services) (works) to be provided under the agreement based on the estimates received, and [a copy of the proposal accompanies this notice] or [a copy of the proposal may be inspected at: *(insert place and hours for inspection)* (see Notes 1 and 2 below).

3. The Parties to the proposed agreement are: *(insert details)*.

4. We invite you to make written observations in relation to the proposals by sending them to: *(address of landlord or manager)*.

Observations must be received within the consultation period of 30 days from the date of this notice, and the consultation period will end on: *(insert date 30 days from the date of the notice)* (see Note 3 below).

5. We did not receive within the consultation period any written observations in relation to the notice of proposals given on: *(insert date of notice of proposals)* (see Note 3 below)

*or*

5. The written observations in relation to the proposals received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)* (see Note 3 below)

*or*

5. A summary of the written observations received during the consultation period, together with our response to them, may be inspected at: *(specify place and hours for inspection)* (see Notes 2 and 3 below).

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also:*

*'duly authorised agent of (name of landlord or manager).)*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

### Notes

1. The landlord is required to present one proposal in respect of the matters described in a notice of intention. This need not relate to the lowest estimate. The landlord is required to state any connection with the contractor. The proposal must contain a statement of the intended duration of the agreement.

Each proposal should state the estimated contribution relevant to the leaseholder's unit of occupation. If it is not reasonably practical to provide that information the landlord may provide the overall cost estimated under the agreement or a unit cost or a daily or hourly rate. If it is not reasonably practical for the landlord to provide any estimate of cost the proposal should contain a statement of reasons why the information cannot be provided and a date by which it is expected to be available. The landlord must then provide the estimate within 21 days of obtaining the necessary information, by notice to all recipients of the notice of proposals.

2. Where a notice specifies a place and hours for inspection:
- (a) the place and hours so specified must be reasonable; and
  - (b) copies of the proposals must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the proposals may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the proposals.
3. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants' association and must reply in writing to each individual respondent within 21 days stating his response to the observations

## Schedule 3

### *Consultation requirements for qualifying works under a qualifying long-term agreement*

Leaseholders are not invited to nominate a contractor. There is one stage of consultation.

If qualifying works are undertaken under a qualifying long-term agreement, then competitive tendering is not required in that the contractor is already in place.

#### *1. Pre-tender consultation stage*

Notice of intention – 30-day consultation period

A notice that the landlord intends to carry out works must be sent to each leaseholder and the RTA (if there is one).

This notice must:

- describe, in general terms, the works proposed to be carried out, or specify a (reasonable) place and hours at which a description of the works may be inspected;

- give the reasons why it is necessary to carry out the proposed works;
- contain a statement of the total amount of the expenditure estimated by the landlord as likely to be incurred by him on the proposed works;
- invite observations in writing;
- give the address to which such observations must be sent;
- state that they must be delivered by the due date;
- give the date on which the consultation period ends (30 days);
- if facilities to provide copies of the documents referred to in the notice are not available at the place specified there, then copies must be provided free on request.

#### Duty to have regard to observations

The landlord must 'have regard to' any observations made by the due date.

#### Landlord's response to observations

Where observations are made, the landlord must respond directly in writing to the leaseholder within 21 days of receipt stating his response to the observations (NB – this must take the form of individual replies, not a general notice to all recipients of the previous notice).

## Appendix 6

### Notice of intention to carry out works under a long-term agreement

*NB – this notice must be sent to each individual leaseholder.*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. It is the intention of *(insert name of landlord or manager)* to carry out works under an existing long-term agreement previously consulted upon [or an agreement entered into before 31st October 2003] with *(insert name of contractor)* in respect of which we are required to consult leaseholders *(see Note 1 below)*.

2. The works to be carried out under the agreement are as follows:  
*(insert a description of the proposed works)*

*or*

2. A description of the works to be carried out under the agreement may be inspected at: *(insert place and hours for inspection)* *(see Note 2 below)*.

3. We consider it necessary to carry out the works because:  
*(insert statement of reasons)*.

4. We estimate the total amount of the expenditure likely to be incurred on and in connection with the proposed works as: *(insert estimated figure)*.

5. We invite you to make written observations in relation to the proposed works or estimated expenditure by sending them to: *(address of landlord or manager)*. Observations must be received within the consultation period of 30 days from the date of this notice. The consultation period will end on: *(insert date 30 days from the date of the notice)* *(see Note 3 below)*.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

## Notes

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by section 30 of the 1985 Act) must consult leaseholders who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under qualifying works, where the contribution of any one leaseholder will exceed £250. 'Qualifying works' are defined by section 20ZA of the 1985 Act.
2. Where a notice specifies a place and hours for inspection:
  - (a) the place and hours so specified must be reasonable; and
  - (b) a description of the proposed works must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the description.
3. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants' association. 'Recognised tenants' association' is defined by section 29 of the 1985 Act. The landlord is also required to state his response in writing to the person making written observations within the consultation period, within 21 days of receiving them.

## *Schedule 4 (Part 1)*

### *Consultation requirements for qualifying works where public notice is required*

**Leaseholders are not invited to nominate a contractor. There are two stages of consultation.**

#### *1. Pre-tender consultation*

**Notice of Intention (Section 20 notice no. 1)  
– 30-day consultation period.**

A notice that the landlord intends to carry out works must be sent to each leaseholder and the RTA (if there is one).

This notice must:

- describe, in general terms, the works proposed to be carried out, or specify a (reasonable) place and hours at which a description of the works may be inspected;
- give the reasons for carrying out the proposed works;
- state that the reason the landlord is not inviting nominations in respect of alternative contractors is because public notice is to be given;
- invite observations in writing;
- give the address to which such observations must be sent;
- give the date on which the consultation period ends (30 days);
- state that they must be delivered by the due date;

If facilities to provide copies of the documents referred to in the notice are not available at the place specified there, then copies must be provided free on request.

### **Duty to have regard to observations**

The landlord must 'have regard to' any observations received by the due date.

## ***2. Tender-stage consultation***

### **Preparation of the landlord's contract statement**

The landlord shall prepare a statement in respect of the proposed contract under which the proposed works are to be carried out.

### **Notification of the proposed contract (Section 20 notice no. 2) – 30-day consultation period**

1. The landlord must give notice of the proposed contract to each tenant and to the RTA (if there is one).
2. The contract statement prepared by the landlord must contain:
  - the name and address of the proposed contractor;
  - particulars of any connection between the landlord and any other party (apart from the proposed agreement);
  - The leaseholder's estimated contribution where reasonably practicable;
    - otherwise, the estimated cost for the building or the premises, where reasonably practicable;
    - otherwise, the current unit cost, hourly or daily rate, where reasonably practicable;
    - otherwise, the reasons the cost information cannot be provided and the date when an estimate, cost or rate will be provided. When the information is available, it must be provided within 21 days of its receipt.
  - A summary of any observations received by the due date and the landlord's responses.
3. The notice must include a copy of the contract statement or specify a (reasonable) place and hours where it can be inspected.
4. The notice must specify the address to which observations may be sent and when the 30 day period for this ends.
5. It must state that they must be delivered by the due date.
6. If facilities to provide copies of the documents referred to in [3] are not available at the place specified there, then copies must be provided free on request.

### **Duty to have regard to observations**

The landlord must 'have regard to' any observations made by the due date.

### **Landlord's response to observations**

Where observations are made, the landlord must respond directly in writing to the leaseholder within 21 days of receipt stating his response to the observations (NB – this must take the form of individual replies, not a general notice to all recipients of the previous notice).



## Appendix 7

### Notice of intention to carry out works where public notice is required

*NB – this notice must be sent to each individual leaseholder.*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. It is the intention of *(insert name of landlord or manager)* to enter into an agreement to carry out works in respect of which we are required to consult leaseholders *(see Note 1 below)*.

2. The works to be carried out under the agreement are as follows:  
*(insert a description of the subject matter of the agreement)*

*or*

2. A description of the works to be carried out under the agreement may be inspected at: *(insert place and hours for inspection)* *(see Note 2 below)*.

3. We consider it necessary to carry out the works because:  
*(insert statement of reasons)*.

4. We invite you to make written observations in relation to the proposed works by sending them to: *(address of landlord or manager)*. Observations must be received within the consultation period of 30 days from the date of this notice. The consultation period will end on:  
*(insert date 30 days from the date of the notice)* *(see Note 3 below)*.

5. The reason why you are not invited to propose a person from whom we should try to obtain an estimate is because the proposed works require public advertisement within the European Community.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

### Notes

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by section 30 of the 1985 Act) must consult leaseholders who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under qualifying works, where the contribution of any one leaseholder will exceed £250. 'Qualifying works' are defined by section 20ZA of the 1985 Act.

2. Where a notice specifies a place and hours for inspection:  
(a) the place and hours so specified must be reasonable; and  
(b) a description of the proposed works must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the description.

3. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants' association. 'Recognised tenants' association' is defined by section 29 of the 1985 Act.

4. There is no right of nomination of alternative contractors where public notice is required.

## Appendix 8

### Contract statement in relation to works where public notice is required

*NB – this notice must be sent to each individual leaseholder.*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. This notice is given following the notice of intention to carry out works issued on: *(insert date of notice of intention)*. The consultation period in respect of the notice of intention ended on: *(insert relevant date)*.

2. We have now prepared a proposal in respect of the works based on the estimates received, and [a copy of the proposal accompanies this notice] or [a copy of the proposal may be inspected at: *(insert place and hours for inspection)*] *(See Notes 1 and 2 below)*.

The name and address of the proposed contractor are: *(insert details)*.

3. *(Statement of estimated costs – see Note 2 below)*

4. We invite you to make written observations in relation to the proposals by sending them to: *(address of landlord or manager)*.

Observations must be received within the consultation period of 30 days from the date of this notice, and the consultation period will end on: *(insert date 30 days from the date of the notice)* *(See Note 3 below)*.

5. The written observations in relation to the proposals received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)* *(see Note 3 below)*

*or*

5. A summary of the written observations received during the consultation period, together with our response to them, may be inspected at: *(specify place and hours for inspection)* *(see Notes 2 and 3 below)*.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

### Notes

1. The landlord is required to present one proposal in respect of the matters described in a notice of intention. These need not relate to the lowest estimate. The landlord is required to state any connection with the proposed contractor.

2. The proposal should state the estimated contribution relevant to the leaseholder's unit of occupation. If it is not reasonably practicable to provide that information the landlord may provide an estimate of the total expenditure under the proposed agreement or a unit cost or a daily or hourly rate.

If it is not reasonably practicable for the landlord to provide any estimate of cost the notice should provide a statement of reasons why the information cannot be provided and a date by which it is expected to be available. The landlord must then provide the estimate within 21 days of obtaining the necessary information, by notice to all recipients of the contract statement.

3. Where a notice specifies a place and hours for inspection:
  - (a) the place and hours so specified must be reasonable; and
  - (b) copies of the proposals must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the proposals may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the proposals.
4. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants' association and must reply in writing to each individual respondent within 21 days stating his response to the observations.

## *Schedule 4 (Part 2)*

### *Consultation requirements for qualifying works*

Leaseholders must be invited to nominate a contractor. There are three stages of consultation.

#### *1. Pre-tender consultation*

Notice of intention (Section 20 notice no. 1)  
– 30-day consultation period

A notice that the landlord intends to carry out works must be sent to each leaseholder and the RTA (if there is one).

This notice must:

- describe, in general terms, the works proposed to be carried out, or specify a (reasonable) place and hours at which a description of the works may be inspected;
- give the reasons why it is necessary to carry out the proposed works;
- invite observations in writing;
- give the address to which such observations must be sent;
- state that they must be delivered by the due date;
- give the date on which the consultation period ends (30 days);
- inform leaseholders they have the right to nominate a contractor.

If facilities to provide copies of the documents referred to in the notice are not available at the place specified there, then copies must be provided free on request.

#### **Duty to have regard to observations**

The landlord must 'have regard to' any observations received by the due date.

#### **Estimates**

The landlord will then seek estimates from its chosen contractors but must also 'try to obtain' estimates from contractors nominated by leaseholders and/or a RTA.

*Criteria on which contractors nominated by leaseholder and/or a RTA should be invited to tender are set out on page 6.*

#### *2. Tender-stage consultation*

##### **Preparation of landlord's estimates**

- the landlord shall prepare at least two estimates for the carrying out of the proposed works;
- at least one of the proposals must be from a contractor wholly

unconnected with the landlord;

- furthermore, if nominations are received, the proposals must also include:
  - an estimate from a contractor nominated by a leaseholder (if obtained);
  - an estimate from a contractor nominated by a RTA (if obtained).

#### Notification of the estimates (Section 20 notice no. 2)

##### – 30-day consultation period

1. The notice must be sent to each leaseholder and the RTA (if there is one).
2. It must include a statement (the ‘paragraph b statement’) containing:
  - i. for at least two of the estimates, the amount specified in the estimate as the estimated cost of the proposed works (*note, this does not need to be a copy of the estimate, simply a statement of the amount*); and
    - one of these estimates must be from a contractor wholly unconnected to the landlord;
    - one of these estimates must be from a nominated contractor, if an estimate was obtained;
  - ii. where leaseholders have made observations by the due date, the landlord must provide a summary of them and his responses to them.
3. The notice must:
  - i. specify a (reasonable) place and hours at which all the estimates may be inspected (*note, this is an obligation to make all of the estimates received available for inspection, not just the estimates on which the landlord’s statement is based*);
  - ii. invite observations in writing regarding the estimates;
  - iii. give the address and the date by which observations must be sent;
  - iv. state that they must be delivered by the due date;
  - v. if facilities to provide copies of the documents referred to in [3i] are not available at the place specified there, then copies must be provided free on request.

#### Duty to have regard to observations

The landlord must ‘have regard to’ any observations received by the due date.

### 3. Award of contract

#### Notification of the award of contract (Section 20 Notice no. 3)

##### – 21-day response period.

Within 21 days the landlord must send a notice to each leaseholder and the RTA, which:

- states the reasons for awarding the contract, or giving the place and hours where those reasons may be inspected; and
- gives a summary of leaseholders’ observations on the estimates and the responses to them.

This notice is not required where the contract has been awarded to:

- a nominated contractor; or
- the lowest tender.

## Appendix 9

### Notice of intention to carry out works

*NB – this notice must be sent to each individual leaseholder*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. It is the intention of *(insert name of landlord or manager)* to enter into an agreement to carry out works in respect of which we are required to consult leaseholders *(see Note 1 below)*.

2. The works to be carried out under the agreement are as follows:

*(insert a description of the subject matter of the agreement)*

*or*

2. A description of the works to be carried out under the agreement may be inspected at: *(insert place and hours for inspection)* *(see Note 2 below)*.

3. We consider it necessary to carry out the works because:

*(insert statement of reasons)*.

4. We invite you to make written observations in relation to the proposed works by sending them to: *(address of landlord or manager)*.

Observations must be received within the consultation period of 30 days from the date of this notice. The consultation period will end on *(insert date 30 days from the date of the notice)* *(see Note 3 below)*.

5. We also invite you to propose, within 30 days from the date of this notice, the name of a person from whom we should try to obtain an estimate for the carrying out of the proposed works described in paragraph 2 above *(see Note 4 below)*.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

#### Notes

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by section 30 of the 1985 Act) must consult leaseholders who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under qualifying works, where the contribution of any one leaseholder will exceed £250. 'Qualifying works' are defined by section 20ZA of the 1985 Act.

2. Where a notice specifies a place and hours for inspection:

- (a) the place and hours so specified must be reasonable; and
- (b) a description of the proposed works must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the description.

3. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants'

association. 'Recognised tenants' association' is defined by section 29 of the 1985 Act.

4. (1) Where a single nomination is made by a recognised tenants' association (whether or not a nomination is made by any leaseholder, the landlord shall try to obtain an estimate from the nominated person.
- (2) Where a single nomination is made by only one leaseholder (whether or not a nomination is made by a recognised tenants' association), the landlord shall try to obtain an estimate from the nominated person.
- (3) Where a single nomination is made by more than one leaseholder (whether or not a nomination is made by a recognised tenants' association), the landlord shall try to obtain an estimate
  - (a) from the person who received the most nominations; or
  - (b) if there is no such person, but two (or more) persons received the same number of nominations, being a number in excess of the nominations received by any other person, from one of those two (or more) persons; or
  - (c) in any other case, from any nominated person.
- (4) Where more than one nomination is made by any leaseholder and more than one nomination is made by a recognised tenants' association, the landlord shall try to obtain an estimate
  - (a) from at least one person nominated by a leaseholder; and
  - (b) from at least one person nominated by the association, other than a person from whom an estimate is sought as mentioned in paragraph (a).

## *Appendix 10*

### *Statement of estimates in relation to proposed works*

*NB – this notice must be sent to each individual leaseholder.*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. This notice is given pursuant to the notice of intention to carry out works issued on: *(insert date of notice of intention)*. The consultation period in respect of the notice of intention ended on: *(insert relevant date)*.

2. We have now obtained estimates in respect of the works to be carried out. We have selected *(insert number, at least two)* estimates from which to make the final choice of contractor (see Note 1 below).

The amounts specified in the estimates for the proposed works are: *(insert details)*.

3. All of the estimates obtained may be inspected at: *(insert place and hours for inspection)* (see Note 2 below).

4. We invite you to make written observations in relation to any of the estimates by sending them to: *(address of landlord or manager)*.

Observations must be received within the consultation period of 30 days from the date of this notice. The consultation period will end on: *(insert date 30 days from the date of the notice)* (see Note 3 below).

5. We did not receive within the consultation period any written observations in relation to the notice of proposals given on:

*(insert date of notice of proposals)* (see Note 4 below)

*or*

5. The written observations in relation to the proposals received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)* *(see Note 4 below)*

or

5. A summary of the written observations received during the consultation period, together with our response to them, may be inspected at: *(specify place and hours for inspection)* *(see Notes 2 and 4 below)*.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

### Notes

1. The landlord is required to select at least two estimates in respect of the matters described in a notice of intention. At least one of the estimates must be from a person wholly unconnected with the landlord. Where an estimate has been obtained from a person nominated by leaseholders, that estimate must be among those set out in the statement of estimates.
2. Where a notice specifies a place and hours for inspection:
  - (a) the place and hours so specified must be reasonable; and
  - (b) copies of the estimates must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the estimates may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the estimates.
3. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants' association. 'Recognised tenants' association' is defined by section 29 of the 1985 Act.
4. Where a landlord has received written observations within a consultation period in relation to a notice of intention to carry out works, he is required to summarise the observations and respond to them within a notice of his reasons for making the agreement or specify the place and hours at which that summary and response may be inspected.

## Appendix 11

### Notice of reason for awarding a contract to carry out works

*NB – this notice must be sent to each individual leaseholder.*

To: *(name and correspondence address of leaseholder)*

and: *(name of RTA)*

1. This notice is given pursuant to the statement of estimates issued on: *(insert date of notice of proposals)*. The consultation period in respect of the

notice of proposals ended on: *(insert relevant date)*.

2. We have now entered into a contract for the carrying out of the works first described in the notice of intention dated: *(insert date of notice of intention)* with *(name of chosen contractor)*.

3. Our reasons for doing so are: *(state reasons)* *(see Note 1 below)*  
or

3. A statement of our reasons for doing so may be inspected at: *(specify place and hours for inspection)* *(see Notes 1 and 2 below)*.

4. We did not receive within the consultation period any written observations in relation to the statement of estimates given on: *(insert date of statement of estimates)* *(see Note 3 below)*  
or

4. The written observations in relation to the estimates received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)* *(see Note 3 below)*  
or

4. A summary of the written observations received during the consultation period, together with our response to them, may be inspected at: *(specify place and hours for inspection)* *(see Notes 2 and 3 below)*.

Signed:

*(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)*

Address:

*(Give the address to which future communications relating to the subject matter of the notice should be sent.)*

Date:

## Notes

### 1. The landlord does not have to send out this notice if:

- (a) the chosen contractor was nominated by a leaseholder, or
- (b) the chosen contractor was the person who submitted the lowest estimate.

### 2. Where a notice specifies a place and hours for inspection:

- (a) the place and hours so specified must be reasonable; and
- (b) copies of the documents must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the documents may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the documents.

3. Where a landlord has received written observations within a consultation period in relation to a statement of estimates in relation to proposed works, he is required to summarise the observations and respond to them within a notice of his reasons for awarding a contract or specify the place and hours at which that summary and response may be inspected.



## *Useful addresses*

### *Tribunals*

#### **England**

First-tier Tribunal (Property Chamber)

Website: [www.justice.gov.uk](http://www.justice.gov.uk)

For Tribunal contact details, please see:

[www.justice.gov.uk/contacts/hmcts/tribunals/residential-property](http://www.justice.gov.uk/contacts/hmcts/tribunals/residential-property)

#### **Wales**

##### **Residential Property Tribunal for Wales**

1st Floor, West Wing, Southgate House, Wood Street, Cardiff CF10 1EW

Tel: 029 2092 2777 Fax: 029 2023 6146

Email: [rpt@wales.gsi.gov.uk](mailto:rpt@wales.gsi.gov.uk) Website: <http://wales.gov.uk>

### *Other useful addresses*

#### **Her Majesty's Stationery Office (HMSO)**

Copies of all legislation regulations and other official publications can be downloaded from [www.legislation.gov.uk](http://www.legislation.gov.uk).

Alternatively printed copies can be purchased from:

The Stationery Office Ltd (TSO),

PO Box 29, Norwich, NR3 1GN)

Tel: 0870 600 5522

Online ordering: [www.tsoshop.co.uk](http://www.tsoshop.co.uk)

#### **Association of Residential Managing Agents (ARMA)**

178 Battersea Park Road, SW11 4ND

Tel: 020 7978 2607 Fax: 0207 498 6153

Email: [info@arma.org.uk](mailto:info@arma.org.uk) Website: [www.arma.org.uk](http://www.arma.org.uk)

#### **Association of Retirement Housing Managers (ARHM)**

c/o EAC, 3rd Floor, 89 Albert Embankment, London SE1 7TP

Tel: 020 7463 0660 Email: [enquiries@arhm.org](mailto:enquiries@arhm.org)

Website: [www.arhm.org](http://www.arhm.org)

#### **The Royal Institution of Chartered Surveyors (RICS)**

12 Great George Street, Parliament Square, London SW1P 3AD

Tel: 0870 333 1600 Email: [contactrics@rics.org](mailto:contactrics@rics.org) Website: [www.rics.org](http://www.rics.org)

#### **The Federation of Private Residents' Associations (FPRA)**

PO Box 10271, Epping CM16 9DB

Tel: 0871 200 3324 Email: [info@fpra.org.uk](mailto:info@fpra.org.uk) Website: [www.fpra.org.uk](http://www.fpra.org.uk)

020 7222 7000



**L E A S E**

**THE LEASEHOLD  
ADVISORY SERVICE**

The Leasehold Advisory Service (LEASE), Maple House, 149 Tottenham Court Road, London W1T 7BN  
Telephone: 020 7383 9800 Fax: 020 7383 9849 Email: [info@lease-advice.org](mailto:info@lease-advice.org) Website: [www.lease-advice.org](http://www.lease-advice.org)