



A guide to Section 20 consultation

For leaseholders



Lewisham

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Introduction

This guide is intended to provide you with a summary of the regulations we must follow when we consult with you about works or services which, under the terms of your lease, you have to pay for.

From time to time, we may need to carry out qualifying works, such as repairs or maintenance to the communal areas and structural parts of your building or estate. If the contribution towards those works payable by any one leaseholder exceeds £250, we are required to consult under Section 20 of the Landlord and Tenant Act 1985, as amended by the Commonhold and Leasehold Reform Act 2002. [The Service Charges \(Consultation Requirements\) \(England\) Regulations 2003](#)

- For some types of service agreements that last longer than 12 months and will cost any service charge payer over £100, for example ground and lift maintenance agreements, we will consult with you under Section 20, Qualifying Long-Term agreement (contract).
- Section 20 consultation provides the opportunity for you to comment on our proposals and request further information where required. You will also have the opportunity to nominate a contractor where public notice is not required.
- As well as the formal consultation, where substantial work is taking place, we hold meetings with residents to discuss the proposed work and ask your views on various issues.

What is Section 20 Consultation?

Section 20 of the Landlord and Tenant Act 1985, as amended by the Commonhold and Leasehold Reform Act 2002, sets out the consultation requirements.

Under the terms of your lease, you must contribute towards the cost of repairs, maintenance or improvements to the communal areas of your building or estate. The law gives you the right to be consulted about certain works and qualifying Long-Term agreements and to make observations on the Council's proposals. If we do not comply with the consultation requirements, the amount we can recover from you may be limited unless the First-tier Tribunal (Property Chamber) grants dispensation.

Why we must consult with you

Legislation set out in Section 20 of the Landlord and Tenant Act 1985 and the Commonhold and Leasehold Reform Act 2002 says we have to consult with you for certain works and services.

We will consult with you when:

- We do any works (repairs and maintenance, improvements and major works to your building or estate) that will cost you, or any other leaseholder affected by the works, more than £250.

- We set up any Long-Term agreements (contracts lasting more than 12 months) with contractors for works, services, or supplies, which will cost you, or any other leaseholder affected by the works, more than £100 a year.

There are several stages for Section 20 consultation which can take a number of months to complete. The law says we have to ask you for your views at each stage of the consultation. You have 30 days to make comments and observations at each stage.

Schedules

The schedules set out below state how we must consult you at each stage of the consultation process. The law says we must follow the schedules when we consult you and any recognised tenants' associations. You will get two notices, sometimes three. Each notice deals with a different part of the consultation process and asks you for your comments each time.

Schedule number		Number of consultation notices required	Public Notice required?
1	Qualifying Long-Term agreements for contracts lasting more than 12 months	2-3	No
2	Qualifying Long-Term agreements for contracts lasting more than 12 months	2-3	Yes
3	Working under a qualifying Long-Term agreement	1	No
4	Part 1: Works using a standard contract	2	Yes
4	Part 2: Works using a standard contract	2	No

The consultation rules for all the above schedules can be read here [The Service Charges \(Consultation Requirements\) \(England\) Regulations 2003](#)

Schedules 1 and 2 – Qualifying Long-Term agreements

The law requires us to follow Schedule 1 or Schedule 2 when consulting on a proposal to enter a Qualifying Long-Term Agreement. A Qualifying Long-Term Agreement is an agreement entered into by or on behalf of the landlord for a term of more than 12 months.

We use Qualifying Long-Term Agreements because they are generally a cheaper way to get work done. They give contractors a longer period of work than a standard contract, which helps keep costs down for residents.

Stage one – pre tender

Notice of Intention - At the pre-tender stage we must send you a Section 20 notice called a Notice of Intention. The notice must tell you:

- what the Long-Term agreement is for (e.g., Day-to-day repairs);
- what is included in the Long-Term agreement, such as: plumbing, glazing, electrical repairs, joinery repairs, brickwork;
- and tell you where and when you can see the pre-tender documents and obtain copies;
- why the Long-Term agreement is needed;
- why we are using a Long-Term agreement;
- if you can nominate a contractor or if you can't nominate anyone, we will explain why;
- when the first stage consultation period ends, which will be at least 30 days from the date of the notice;
- invite you to comment on the notice and give you the address where you should send your comments to

Stage two – tender stage

The law says we must write to you again with a Section 20 notice called Notice of Proposal after we have tendered for the works (to get prices from a number of contractors who want to do the work). We must prepare two proposals (this sets out which contractors we intend to use and the work we plan to do) from different contractors.

We must also prepare proposals from any contractor nominated by leaseholders or recognised tenants' associations. The Notice of Proposal must:

- either include the proposals or tell you when and where you can see the tender submission, documents and/or get copies
- tell you about the costs of the works
- invite you to make any comment in writing about the proposals and tell you where and when you should send your comments
- tell you when the second stage consultation period ends, which will be at least 30 days from the date of the notice

...continued

- give you a summary of the comments we receive in response to the Notice of Intention and our replies to those comments or tell you when and where you can see them
- describe the work to be carried out under the contract
- give the name and address of the contractor
- tell you if there is any connection between the contractor and Lewisham Council and the nature of the relationship
- state the duration of the contract

We will consider any comments you make and write to you within 21 days of receiving your comments. At the pre-tender stage it is too early to be able to tell you how much you will have to pay. However, the law says we must tell you one of the following once the procurement is complete:

- the cost for your home, or
- the cost for the building, or
- the hourly, daily or unit rate for the work, or
- when we will be able to tell you any of the above

The notice will also tell you what information has been included or is available for you to see.

Stage three – awarding the contract

If we do not choose the lowest price or any contractor nominated by a leaseholder or recognised Tenants' Association, the law says we must issue you an Award of Contract Notice. When we issue you an Award of Contract Notice we must:

- tell you why we have chosen the successful contractor;
- give you a summary of the comments we have received about the notice of proposal and our response or tell you when and where you can see the summary of comments and responses

Schedule 3 – Works to be carried out under a Qualifying Long-Term Agreement

Notice of Estimate

We must send you a Section 20 Notice of Estimate before carrying out qualifying works under an existing Qualifying Long-Term Agreement where the contribution payable by any leaseholder will exceed £250. This is a one-stage consultation process, and no further notices will normally be issued.

The notice must:

- tell you about the works to be done and tell you where and when you can see the specification for the work and/or get copies;
- explain why the work is needed;
- give you the total cost of the work;
- invite you to make comments about the work and tell you where to send those comments;
- tell you the last date you can give us your comments, which will be at least 30 days from the date of the notice

We will consider any comment you make, and we will write to you within 21 days of receiving your comments. This will probably be the first chance we have to tell you what the estimated cost is for you.



Schedule 4 – Standard Contracts

Sometimes we need to carry out work that is not included in any Long-Term Agreement. We do this using a standard contract. Standard contracts are contracts, which last less than 12 months. The law says when we use a standard contract, we need to consult you if the cost of the work to you, or any other leaseholder affected by the work, is more than £250.

Stage 1 - Pre-tender

Before we go to tender, we must send you a Section 20 notice called *Notice of Intention*. We will serve the notice only on leaseholders affected by the works and not on all leaseholders. The notice must:

- tell you what work is to be done or tell you where and when you can see the specification of work and get copies;
- say why we are going to do the work;
- invite you to comment on the work and where and when you must send your comments;
- tell you if you can nominate a person you want to price for the work or if you can't nominate anyone tell you why you can't nominate anyone;
- tell you the date that this part of the consultation ends, which will be at least 30 days from the date of the notice.

We will provide the estimated cost in the Notice of Estimates.

Stage 2 - Tender

Once we have tendered the contract and received prices back, we will prepare at least two proposals (these set out which contractors we intend to use and the work we plan to do). We will also prepare proposals for any contractor nominated by leaseholders or recognised tenants' association. The law says one of the contractors we prepare the proposal for must not be connected with Lewisham Council.

The proposals must:

- tell you again what the works are
- tell you the contractor's name and address
- tell you if there is any connection between them and the Council
- give you your estimated cost
- list a summary of comments made by leaseholders and our response to them

We will then send you a Section 20 notice called a *Notice of Estimates*, which must:

- include copies of the proposals or details of when and where you can view them and/or get copies
- give you the chance to make comments about the estimates and when and where you must send your comments
- tell you the date this part of the consultation ends, which will be at least 30 days from the date of the notice

We will consider your comments and write to you within 21 days of receiving your comments.

Stage 3 – Award of contract

The law says if we do not choose the lowest price, or any contractor nominated by a leaseholder or recognised tenants' association, we must issue you an *Award of Contract Notice*. The notice must:

- tell you why we have chosen the successful contractor, and;
- give you a summary of the comments we received about the notice of proposal and our responses to them or tell you when and where you can see them



Public Notice

These are contracts for supplying goods and services with a value above certain limits. These contracts must be advertised by public notice, and you will not be able to nominate a contractor. However, we will ask for and consider your opinions and views before awarding the contract.

Further information can be found on LEASE website: [Section 20 Consultation for Council and other public sector landlords - The Leasehold Advisory Service \(leaseadvice.org\)](https://leaseadvice.org/section-20-consultation-for-council-and-other-public-sector-landlords)

Public Notice contracts can be viewed on Gov.uk. [Find a Tender \(find-tender.service.gov.uk\)](https://find-a-tender.service.gov.uk)

Nominating a contractor

When you nominate a contractor, you must write and tell us the contractor's name and address so that we can write and ask them for an estimate for the works.

If more than one contractor is nominated by leaseholders, we will ask the contractor with the most nominations to provide an estimate. If there are two or more contractors nominated by leaseholders with the same number of nominations, we will select one contractor and ask them to provide an estimate.

Nominated contractors

To protect you and other residents we need to be cautious about who we employ to do work. We will ask any contractor you or a recognised tenants' association have nominated, to complete a number of forms. This allows us to check if the contractor can do the work, that they are financially sound, meet health and safety requirements, and a number of other special requirements.

We must ensure the contractor is financially able to complete the work. We also have to be sure the contractor will do the work to a high standard so that we don't spend more money putting things right.

Emergency work

There are times when we will not be able to consult you fully. For example, when the work is an emergency and any delay may risk or cause further damage, resulting in extra costs. If this happens, we will still give as much notice and information as possible.

What happens if we do not consult with you?

- The First-tier Tribunal (Property Chamber) may grant dispensation from some or all of the consultation requirements. This is known as dispensation. Information on this can be found on the LEASE website: [Section 20 Consultation for Council and other public sector landlords - The Leasehold Advisory Service \(lease-advice.org\)](#).
- See the First-tier Tribunal (Property Chamber) section under 'Help, advice and useful contacts' for further information.

Calculating major works costs

- We calculate your share of the costs in accordance with your lease.
- Your lease identifies the block and/or estate that your property is in and the services that are provided to you and sets out your responsibilities for paying towards these costs.
- If you require advice about the terms of your lease, please speak to your solicitor, the [Citizen's Advice Bureau](#) or the Leasehold Advisory Service www.lease-advice.org.

Section 20B notices

- Following your Section 20 notice, you may also receive a Section 20B notice. Notices are served under [Section 20B of the Landlord and Tenant Act 1985](#)
- We serve Section 20B notices to tell leaseholders the amount we have spent so far where the final costs remain unknown.
- The reason Section 20B notices are served is because the Act limits service charges by imposing a time limit (18 months) on the making of a demand.
- Further information can be found on LEASE website: [Section 20 Consultation for Council and other public sector landlords - The Leasehold Advisory Service \(lease-advice.org\)](#).



Frequently asked questions

We hope you find the following frequently asked questions helpful. If you have a question that is not on the list, please contact us by email to hos@lewisham.gov.uk We will respond to your question and consider adding it to the list.

Question	Answer
What is Section 20?	In accordance with the terms of your lease, you have to pay towards the cost of any repairs, maintenance or improvements to the communal areas of your building or estate. The law says you have a right to be asked for your opinion about the work. Section 20 of the Landlord and Tenant Act 1985 and the Commonhold and Leasehold Reform Act 2002 sets out the consultation requirements. It gives leaseholders the opportunity to make observations about certain proposed works and Long-Term agreements. If we don't do this, we will not be able to charge you your full share of the costs of the works.
Why are there so many notices?	We have to follow the procedure set out in law. This means you will always get at least two notices and sometimes three. Each notice deals with a different part of the process and asks for your comments on each one.
Why are you using Long-Term contracts?	These are generally the cheaper ways to get work done. They also give contractors a longer period of work, which helps keep their costs down and consistency in their workforce. This should also improve quality, and the contractors get to know our buildings so understand problems better.
Doesn't that give them work even if they are not very good?	No, the contract is written to ensure that if a contractor is not giving the best service and good value for money, we can end the contract. The contractor is aware of this, so is keen to make sure that standards are kept high.
What happens to my comments?	When you write to us with your comments, we will take them seriously. We will try to make sure that we take on board what you say or tell you clearly why we can't do what you ask. We will write to you within 21 days of receiving your letter. We will also include your comments in a summary of comments we receive and our responses in the next notice we send.

What happens if I don't have any comments?	If you do not have any comments or observations about the information contained in the Notice you do not have to respond to us.
Why can't I nominate a contractor?	The Council is required to issue a public notice for contracts with a value above certain limits. Although we must still ask for and consider tenants' opinions and views, tenants do not have the right to nominate a contractor for such contracts. These contracts are covered by Schedule 2 and Schedule 4 (part 1) of the Service Charges (Consultation Requirements) (England) Regulations 2003. Tenders will be published on an e-tendering portal, called Find a Tender Service Find a Tender (find-tender.service.gov.uk)
My block / estate doesn't need any work?	If work is not needed, we won't do anything. The Long-Term Agreement contracts are set to run for a number of years and maybe at some point in the future work will be needed to your block.
Why can't I do the works myself as it will be cheaper?	The work we are consulting you about is to the communal areas as defined by your lease. These are our responsibility to maintain. You must maintain the inside of your property and we will not do anything inside your home or charge you for any work in tenants' flats.
What happens if I can't afford the works you are going to do?	When we do work to your block or estate, we know that not every leaseholder can afford to pay straight away, and some leaseholders may need help to spread the costs. We have a number of payment options in place for resident leaseholders. See our website for more information Lewisham Council - Paying for major works We will not take action against you as long as you talk to us and agree a payment plan. But, we will take recovery action if you simply do not pay and ignore our requests for payment.
What happens if I want to challenge the cost, quality or need for the work?	Talk to us first. We hope to resolve any matters without the need of court intervention. If we cannot agree, then you can apply to the First-tier Tribunal (Property Chamber) (see useful contact details for more information about the FTT). They will look at all the evidence and decide if you have to pay, and – if so – how much.

What happens if you haven't followed the correct procedure for consultation?	We have taken steps to ensure that the procedure is clearly set out for staff, and it is understood so this should not happen. But if we do something wrong, we will do all we can to correct the mistake before we start the work. If we do not comply with the consultation requirements, the amount recoverable from each leaseholder is normally limited to: • £250 for qualifying works; and • £100 per year for a Qualifying Long-Term Agreement unless the First - tier Tribunal (Property Chamber) grants dispensation. In certain circumstances, we can ask the First-tier Tribunal (Property Chamber) to give us permission to charge you the full amount even though we haven't followed all the legislation. This is called a "dispensation". A dispensation may be given when we must do something urgently, like repair a lift, and we don't have time to consult you properly. Even in these situations, we still have to satisfy the First-tier Tribunal (Property Chamber) that we did all we could to consult with you and you have not suffered as a result.
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Help, advice and useful contacts

For more information about service charges and the rights and obligations of landlords and leaseholders, some useful contacts are listed below.

The Leasehold Advisory Service (LEASE)

LEASE is an independent organisation that provides advice and is funded by central Government. It offers free advice on the law affecting residential leasehold properties. You can find details about them on: [Home - The Leasehold Advisory Service \(lease-advice.org\)](https://lease-advice.org)

You can also use your right to dispute a service charge and major works bills through the First-tier Tribunal.

For more information, please see the section below on the First-tier Tribunal below or visit LEASE website on: [Application to the First-tier Tribunal \(Property Chamber\) - The Leasehold Advisory Service \(lease-advice.org\)](https://lease-advice.org)

First-tier Tribunal (Property Chamber) (FTT)

You can also use your right to dispute a service charge and major works bills through the First-tier Tribunal.

For more information, please see the section below on the First-tier Tribunal below or visit LEASE website on: [Application to the First-tier Tribunal \(Property Chamber\) - The Leasehold Advisory Service \(lease-advice.org\)](https://lease-advice.org)

The Tribunal is an independent organisation that has the power to resolve disputes between leaseholders and their landlords. Both landlords and leaseholders can apply to the FTT for help in dealing with an issue. They can also grant dispensation from some or all of the consultation requirements.

If you are unhappy with any of the charges, we ask you to pay under your lease, you can take the matter to the FTT. However, we can often sort out disputes without the need to go to the FTT. The tribunal will decide if it is a case on which they have the power to decide. You must pay a fee to the tribunal when you apply.

The FTT can make decisions on several issues, including:

- considering ending a lease if conditions have been broken
- your legal responsibility to pay service charges or major works
- whether service charge costs are reasonable
- whether services or repairs are of a reasonable standard

- whether we carried out consultation with you properly
- deciding on the value of the freehold in cases of enfranchisement
- deciding the value of extending a lease
- variations to leases

The First-tier Tribunal (Property Chamber) will look at the case and decide if it is an appropriate case for them to consider. If they accept the case, they will tell you and us what information they need and the dates by which the information must be provided.

At the hearing, you will present your case and have the opportunity to ask us questions, and we will also present our case. Based on all the information, the tribunal panel will decide. They will provide their decision in writing as soon as possible after the hearing. In some cases, the Tribunal will agree to make a decision based just on the written information, without a hearing. You do not need to have legal representation at the tribunal and evidence is not given on oath.

Contact:

First-tier Tribunal (Property Chamber)
10 Alfred Place
WC1E 7LR
United Kingdom
Email: London.Rap@justice.gov.uk
Telephone: 0207 446 7700
Fax: 01264 785 060



Lewisham Council contacts

You can save time by accessing our services online in the comfort of your own home. www.lewisham.gov.uk

Public Notice contracts can be viewed on Gov.uk. [Find a Tender \(find-tender.service.gov.uk\)](https://find-a-tender.service.gov.uk)

Our office

Lewisham Council
Laurence House
Catford Road
London SE6 4RU

For opening hours please visit our website: www.lewisham.gov.uk

Telephone: 0800 028 2 028

Home Ownership Team

hos@lewisham.gov.uk or call 0800 028 2028, option 3

Major Works

majorworks@lewisham.gov.uk or call 0800 028 2028 – Option 4

Housing Complaints and feedback Team

housingcomplaintsandfeedback@lewisham.gov.uk