



## S.20 Consultation

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 new consultation regime

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

The Commonhold and Leasehold Reform Act 2002 has introduced new requirements for this statutory consultation. Section 151 of the Act replaces the original provision, Section 20 of the Landlord and Tenant Act 1985, and introduces a new Section 20ZA, all with effect from 31st October 2003 (not Wales). The existing Sections 20A, 20B and 20C are not affected. The new provisions introduce different, more complicated procedures and extend the consultation requirements to include long-term contracts for services.

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; both the leaseholders and the RTA have a right to nominate an alternative contractor and the landlord is bound to invite 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.**

### **Who is 'the landlord'?**

A more appropriate name might be 'manager', because the statutory definition of 'landlord' for service charge purposes is 'any person who has a right to enforce payment of a service charge' (Section 30, Landlord and Tenant Act 1985). Consequently, depending on the structure of the leases and titles at any given property, a landlord could be any of the following:

- Freeholder
- Head lessee
- Resident Management Company (RMC)
- Right to Enfranchise (RTE) company
- Right to Manage (RTM) company

The definition also includes 'superior landlords', so planned expenditure by the overall freeholder of a mixed residential and commercial development to which residential leaseholders are bound by their leases to contribute (directly or indirectly) will be subject to consultation if the qualifying criteria are met.

For the purpose of this booklet, the term 'landlord' is used throughout; although the manager or managing agent may carry out the process, it is the landlord who is responsible for the consultation.



### **What expenditure items are subject to consultation?**

Previously, Section 20 only covered specific building works. Now, more possible areas of service charge expenditure are subject to consultation, divided into two categories: 'qualifying works' and 'qualifying long-term agreements'.

### **What is the penalty for non-compliance?**

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 - £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; in the case of an RMC, RTE or RTM company, the consequences could be disastrous, potentially rendering the company insolvent and unable to continue to fulfil its obligations to leaseholders. What about emergencies?

The Act does not provide specifically for excusing consultation in emergency situations. However, Section 20(1) now permits the Leasehold Valuation Tribunal (LVT) to dispense with the consultation requirements in a particular case 'if satisfied that it is reasonable to dispense with the requirements'. This is similar to the court's powers under the old Section 20(9), which were used most frequently in emergency cases. For landlords concerned, it would be advisable to apply for dispensation as early as possible, although the inevitable delay may make this impractical.

An application may also be appropriate in a case where there is only one realistic provider for particular works or services.

### **The procedures**

There is no longer just one procedure, but several procedures for various categories. Although there are similarities in the procedures for each category, there are differences in the detail, and landlords need to follow the details very carefully if they are to comply with the requirements.

### **Qualifying works**

**These are 'works on a building or any other premises' - that is, works of repair, maintenance or improvement. These are the same works previously included within the old S.20 requirements, with the addition of works of improvements (where a liability for costs of improvements is included in the lease).**

### **What is the trigger for consultation?**

In the case of qualifying works, the threshold for consultation is reached if the contribution for any one leaseholder exceeds £250.



In a property with unequal service charge contributions, the need for consultation arises if any one leaseholder would have to pay more than £250; consultation must then take place with all leaseholders.  
Procedures for specific qualifying works

- **Notice of intention**

Notice of intention to carry out qualifying works is given to each leaseholder and any recognised tenants' association RTA, as defined in Section 29, Landlord & Tenant Act 1985 (see [Appendix 4](#) for sample form). The notice must describe in general terms the proposed works, or specify a place and hours where the description may be inspected.

The notice must state the reasons for the works, and invite written observations, specifying where they should be sent, over what period (30 days from the notice), and the end date. Further, the notice must contain an invitation for nominations of persons from whom the manager should obtain estimates. The landlord must have regard to written observations received during the consultation period.

- **Estimates**

The landlord must seek estimates:

1. from a single nominee of an RTA (whether or not any are received from individual leaseholders);
2. from a single nominee of only one leaseholder (whether or not one is made by an RTA);
3. if single nominations are made by more than one leaseholder (whether or not any are made by an RTA), the landlord must seek an estimate from the person with most nominations, or, if there is no clear leader but there are two or more who tie for first place, from one of those. If the result is not even that clear (for example, there could be five nominees with one vote each), an estimate must be obtained from one of them. If multiple nominations are received from any leaseholder and more than one from the RTA, the landlord must request an estimate from at least one person nominated by a leaseholder and at least one nominated by the RTA.

- **The paragraph b statement**

The landlord then issues a statement (free of charge) setting out the estimated cost from at least two of the estimates and a summary of the observations received and his responses to them (see [Appendix 5](#) for sample form). The statement is issued with a notice (see next paragraph). At least one of the estimates shown in the statement must be from a person wholly unconnected with the landlord. If any estimates were received from leaseholders' nominees, they must be included in the statement. (There is no need to attach copies of estimates; indeed, the regulations state that all the estimates must be made available for inspection. If the landlord intends to attach copy estimates to help leaseholders, he should also make it clear that they are all available for inspection.)

The regulations call this the 'paragraph b statement'.

- **Notice accompanying paragraph b statement**

The statement must be sent out with a notice (see [Appendix 6](#) for sample form), detailing where and when all of the estimates may be inspected and inviting each leaseholder and any RTA to make written observations on



any of the estimates, specifying an address where they should be sent, the consultation period (30 days from the notice) and the end date.

- **Regard to observations**

The landlord must have regard to written observations received this second 30-day consultation period.

- **Notification of reasons**

Unless the chosen contractor is a leaseholder's or RTA nominee or submitted the lowest estimate, the landlord must give notice within 21 days of entering into the contract to each leaseholder and any RTA, stating his reasons for the selection, or specifying a place and hours for inspection of such a statement (see [Appendix 7](#) for sample form).

The landlord must also summarise any observations made and his responses. There is no requirement for inspection of the summary and responses in this case.

### **Qualifying long-term agreements**

**A qualifying long-term agreement is any contract or agreement (relating to service charge matters) entered into by a landlord or superior landlord for a term of more than twelve months (note: not twelve months or more). Although it is not spelt out in the Act, it is safest to assume that this includes ongoing contracts with no specific termination date.**

Examples of qualifying long-term agreements (QLTAs) could include:

- managing agents' agreements;
- agreements affecting the building generally (eg. for lift or entry-phone systems);
- cleaning and gardening;
- insurance;
- utilities (if tendered);
- depending on the circumstances, possibly retainers for surveyors, accountants or solicitors.
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It is conceivable that some of these services may only have one realistically possible supplier. Nonetheless, consultation must be carried out if it is proposed to enter into an agreement for more than twelve months, or dispensation must be sought from the LVT (see *below*).

### **What is the trigger for consultation?**

In the case of a qualifying long-term agreement, consultation is required if the amount payable by any one contributing lease-holder exceeds £100 in any year. In a property with unequal service charge contributions, the need for consultation applies if only one leaseholder would have to pay over £100; consultation must then take place with all leaseholders. The figure is to be computed 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).



### What items are exempt?

- 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;
- 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 exceeding twelve months which was entered into before 31st October 2003 (even if there are more than twelve months of the contractual term to go).

### Procedures for qualifying long-term agreements

- **Notice of intention** (see [Appendix 1](#) for sample form)

is given to each leaseholder and any recognised tenants' association ('RTA', as defined in Section 29, Landlord and Tenant Act 1985). The notice describes the works or services to be provided, or specifies a place and hours where the description might be inspected. The landlord must state his reasons for considering it necessary to enter into the agreement, and, if the agreement includes works, his reasons why he considers it necessary to carry out those works. He must invite written observations, specifying where they should be sent, when and by what date. The consultation period is 30 days from the notice. Finally, the notice must invite nominations of persons from whom the landlord should seek estimates

- **Regard to observations**

The landlord must have regard to any observations made during the consultation period.

- **Estimates**

The landlord will then seek estimates from his chosen contractors but must also 'try to obtain' estimates from nominated contractors, in accordance with paragraph 11 of the regulations. Estimates must be requested from nominees in the following way:

1. from a single nominee from an RTA (whether or not any were made by leaseholders);
2. from a single nominee from any one leaseholder (whether or not any were made by an RTA);
3. if single nominations are made by more than one leaseholder (whether or not any are made by an RTA), from the person with most nominations; if there is no clear leader, but two or more tie for first place, from one of those; if there is a number of nominations from more than one leaseholder, but none of them has more than one vote, from one of them;
4. if multiple nominations are made by one leaseholder and by an RTA, at least one from each list.

- **Preparation of landlord's proposals**

The landlord then prepares at least two proposals for the placing of the contract, using at least two of the estimates received. At least one estimate must be from a person wholly unconnected with the landlord, and, if



any estimates were obtained from leaseholders' nominees, they must be the subject of a proposal. Each proposal must contain:

1. a statement of the goods, works or services to be provided;
2. the name and address of each contractor party and a statement of any connection to the landlord;
3. where practicable, an estimate of each leaseholder's contribution to its cost; if not practicable, an estimate of the total expenditure for the building or premises; where neither is practicable, an estimate of the current unit cost or hourly or daily rate, if that is practicable;
4. if the proposal is to appoint a managing agent, a statement of whether the contractor is a member of a professional body or trade association (and if so, its name) and whether he subscribes to any relevant code of practice or voluntary accreditation scheme;
5. any provision for varying or determining the charges under the proposed agreement;
6. the intended duration of the agreement;
7. a summary of any observations received to the notice of intention, and the manager's responses to them.

- **Notice of the proposals**

Notice of the proposals is given to each leaseholder and any RTA (see [Appendix 2](#) for a sample form). The notice must be accompanied by a copy of the proposals and must invite observations on the proposals, stating where they should be sent, the 30-day period and the end date.

- **Regard to observations**

The landlord must have regard to written observations received this second 30-day consultation period.

- **Notification of reasons**

Following the close of the second consultation period, **unless he has chosen a nominee or the lowest estimate**, the landlord must give a written notice to each leaseholder and any RTA within 21 days stating his reasons for his selection or specifying a place and hours for inspection of his statement of reasons. Additionally, the notice must summarise any written observations received during the consultation period and his responses to them, or again specify a place and hours where they may be inspected. The notice invites written a place and hours for inspection of the summary and response (see [Appendix 3](#) for a sample form).

### **Qualifying works under a qualifying long-term agreement (including agreements entered into before commencement of the regulations)**

**This is a new procedure for qualifying works where they are to be carried out under a long-term agreement that has already been consulted upon. For example, a landlord may enter into a long-term agreement with one contractor to repair and maintain all passenger lifts. Major repairs or refurbishment may then be needed which exceed the trigger of £250 for any one leaseholder.**

This procedure is especially important to local authorities and housing associations which are contracting for works under partnering, PFI and schedule of rates contracts. These partnering or PFI contracts will themselves be long term agreements. The fact that they have been consulted upon already does not mean that no further



consultation is required; but the procedure is a simplified version of that for other qualifying works, because the contractor has already been chosen. Leaseholders may only comment upon the nature and extent of the works.

- **Notice of intention**

Notice of intention to carry out qualifying works must be given to each leaseholder and any RTA (see [Appendix 8](#) for a sample form). The notice must describe in general terms the proposed works, or specify a place and hours where the description may be inspected. The notice must state the reasons for the works, and estimate the total expenditure to be incurred. The notice must contain an invitation to make written observations on works or estimated cost, and specify where observations must be sent, during which period (30 days from the notice), and the end date. There is no requirement to invite nominations, as the contractor has already been chosen.

- **Regard to observations**

The landlord must have regard to any observations received during the consultation period.

- **Response to observations**

If any observations are received, the landlord must respond to them **individually in writing to the leaseholders who made them.**

The response must be sent within 21 days of receipt of the observation. Note that landlords cannot wait until after the agreement is signed before responding.

### **Variations to the procedures for contracts requiring advertisement within the EU**

**In some cases the contract sum, whether for works or long-term agreements, will be of a level where EU procurement rules apply and the proposed contract must be advertised by public notice. This will apply only to very large contracts and is likely to be restricted to the public sector arising from Partnership Funding Initiatives (PFI schemes). In the case of both qualifying works and long-term agreements, the regulations provide a different procedure, deleting the leaseholders' opportunity to nominate a contractor.**

#### **Variation to the procedures for long-term agreements where the landlord uses EU procurement rules for which public notice is required (Schedule 2)**

- **Notice of intention**

Notice of intention is given to each leaseholder and any recognised tenants' association ('RTA' - as defined in Section 29, Landlord and Tenant Act 1985). The notice describes the works or services to be provided, or specifies a place and hours where the description might be inspected. The landlord must state his reasons for entering into the agreement and, where the agreement may include qualifying works, state the reasons for wishing to carry out those works. It should also state that the landlord is not inviting nominations of contractors because public notice will be given. It should invite written observations, specifying where they should be sent, when and by what date. The consultation period is 30 days.



- **Regard to observations**

The landlord must have regard to any observations made during the consultation period.

- **Preparation of landlord's proposal**

The landlord must then prepare a proposal based on the chosen contractor. It must contain the name and address of every party to the proposed agreement, and any connection between the landlord and the chosen contractor. It should also contain an estimates of the leaseholder's contribution, or, if that is not possible, an estimate of the total cost of the expenditure for the building or premises, or, if still not possible, then the current hourly or daily rate or current unit cost. If none of these is possible, the proposal must state the reasons why not, and the date when the landlord expects to have this information available. Where any observations were received on the notice of intention, the proposal must contain a summary of them and the landlord's responses to them.

- **Notification of landlords proposal**

This notice is given to each leaseholder and any RTA. It must be accompanied by a copy of the proposal or specify a place and hours where it may be inspected. It must also invite written observations on the proposal, stating where they should be sent, the 30-day period and the end date.

- **Regard to observations**

The landlord must have regard to any observations made during this second consultation period.

- **Response to observations**

If any observations are received, the landlord must respond to them individually in writing to the leaseholders who made them. The response must be sent within 21 days of receipt of the observation. Note that landlords cannot wait until after the agreement is signed before responding.

- **and finally...**

If the manager was not able to give any price information in the landlord's proposal above, then this must be supplied to each leaseholder and any RTA within 21 days of the landlord receiving sufficient information to comply.

#### **Variation to procedures for works where the landlord uses EU procurement rules for which public notice is required (Schedule 4 - Part 1)**

- **Notice of intention**

Notice of intention to carry out the qualifying works is given to each leaseholder and any recognised tenants' association ('RTA' - as defined in Section 29, Landlord and Tenant Act 1985). The notice describes the works to be provided, or specifies a place and hours where the description might be inspected. It must state his reasons for wishing to carry out those works and that the landlord is not inviting nominations of contractors because public notice will be given. It should invite written observations, specifying where they should be sent, when and by what date. The consultation period is 30 days from the notice.



- **Regard to observations**

The landlord must have regard to any observations made during the consultation period.

- **Preparation of landlord's contract statement**

The landlord must then prepare a statement of the contract based on the contractor chosen. It must contain the name and address of the proposed contractor, and any connection between the landlord and the chosen contractor. It should also contain an estimates of the leaseholder's contribution, or if not possible an estimate of the total cost of the expenditure for the building or premises, or if not possible the current hourly or daily rate or current unit cost. Or if none of these is possible the reasons why not, and the date when the landlord expects to have this information available. Where any observations were received on the notice of intention the proposal must contain a summary of them and the landlord's responses to them.

- **Notification of landlord's proposed contract**

This notice is given to each leaseholder and any RTA. It must be accompanied by the landlord's contract statement or specify a place and hours where it may be inspected. (Note that the regulations call the landlord's contract statement the 'paragraph 4 statement'.) It must also invite written observations on the proposal, stating where they should sent, the 30-day period and the end date.

- **Regard to observations**

The landlord must have regard to any observations made during this second consultation period.

- **Response to observations**

If any observations are received, the landlord must respond to them **individually in writing to the leaseholders who made them.**

The response must be sent within 21 days of receipt of the observation. Note that landlords cannot wait until after the agreement is signed before responding.

- **and finally...**

If the manager was not able to give any price information in the landlord's proposal above, then this must be supplied to each leaseholder and any RTA within 21 days of the landlord receiving sufficient information to comply.

### **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 to the leaseholders in due course.



### **The duty to have regard**

In any case where the landlord receives written observations during a consultation period, he 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, the landlord is required on several occasions to state how he had regard to the observations received, and if he is unable to show that he has acted within the spirit of the Act from this point of view, it is possible that the LVT could determine that the consultation procedure has not been followed properly, and then disallow the recovery of the costs of the agreement over and above the relevant consultation threshold (£100 or £250 for any one tenant).

### **Nominations from leaseholders**

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); furthermore, some landlords (particularly in the social housing sector) are bound only to employ contractors who are on an approved list or qualify for placing on such a list. Any nominee would have to apply to join the approved list and meet the criteria set. The criteria will include those mentioned above, but also may include a requirement for an equal opportunities policy and a declaration of any relationship with employees of the manager. Landlords are not prevented from applying their yardsticks as regards leaseholders' nominees, but they will have to justify their selection procedures to the LVT, if challenged. If they fail to convince the LVT in a particular case, there is a risk that the consultation procedure could be disallowed.

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

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

### **'Wholly unconnected'**

The categories to be considered as persons connected to the landlord are set out in paragraphs 2(1), 12(6), 19(3), 31(3) and 38(7) of the regulations.

It is to be assumed that there is a connection if any of the individuals concerned is a director, manager or partner in the business of the other contracting party, or is a close relative of such a person. A 'close relative' is a spouse or cohabitee, parent, parent-in-law, son or son-in-law, daughter or daughter-in-law, brother or brother-in-law, sister or sister-in-law, step-parent, step-son or step-daughter.

#### **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, then the 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.



### **Transitional provisions**

**There are specific provisions for cases where the landlord has already carried out consultation under the original S.20 provisions, or started work.**

#### **Qualifying works**

The landlord is not obliged to commence consultation under the new procedures if, before 31st October 2003, he has:

- already served, or displayed, an S.20 notice under the original procedures  
or
- already commenced works.
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#### **Qualifying long-term agreements**

In cases of contracts requiring public advertisement, no new consultation is required where the public notice has been given before 31st October 2003.

No new consultation is required in respect of:

- works carried out under an agreement for 12 months or less which is entered into on or after 31st October 2003;
- works under an agreement entered into before 31st October 2003 which are carried out before 31st December 2003.

It is not entirely clear whether 'carried out' means commenced, in progress or completed; landlords will need to be cautious if relying on this transitional provision.

### **Appendix 1**

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

To all leaseholders of *(insert name of the premises)* and the *(insert name of recognised tenants' association\*)*.

*\* Delete if not applicable*

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 made 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:
  - 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.
  - i. 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.
  - ii. 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.
  - iii. 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

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- 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.
- iv. 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 2**

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

To all leaseholders of *(insert name of the premises)* and the *(insert name of recognised tenants' association\*)*.

*\* Delete if not applicable*

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))* 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 made 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).

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 propose 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.



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.

### **Appendix 3**

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

To all leaseholders of *(insert name of the premises)* and the *(insert name of recognised tenants' association\*)*.

*\* Delete if not applicable*

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*
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:

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## Notes

1. Landlords do not need to send out this notice of reasons and summary/responses 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 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 4

### Notice of intention to carry out work

To all leaseholders of *(insert name of the premises)* and the *(insert name of recognised tenants' association\*)*.

\* *Delete if not applicable*

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 made 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.
  - i. 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.
  - ii. 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.
  - iii. 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.
  - iv. 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 5**

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

*(This notice is only sent out if accompanied by the notice in Appendix 6).*

To all leaseholders of *(insert name of the premises)* and the *(insert name of recognised tenants' association\*)*.

*\* Delete if not applicable*

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)*.
3. The amount specified in the selected estimates as the estimated cost of the proposed works is as follows: *(insert amount of each selected estimate against the name of each contractor concerned)*.
4. All of the estimates obtained may be inspected at *(insert place and hours for inspection)* *(see Note 2 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*
6. A summary of the written response received during the consultation period, together with our response to them, may be inspected at: *(specify place and hours for inspection)* *(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. 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. Where a landlord has received written observations within a consultation period in relation to a notice of proposed works, he is required to summarise the observations and respond to them in 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 6**

### **Notice accompanying statement of estimates in relation to proposed works**

To all leaseholders of *(insert name of the premises)* and the *(insert name of recognised tenants' association\*)*.

*\* Delete if not applicable*

1. This notice is to accompany the statement of estimates in relation to proposed works which is attached, issued on *(insert date of statement of estimates)*.
2. All of the estimates may be inspected at *(insert place and hours for inspection)* (see Note 1 below).
3. 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 made 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 2 below).
- 4.

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. 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.
2. 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.



## **Appendix 7**

### **Notice of reasons for awarding a contract to carry out works**

To all leaseholders of *(insert name of the premises)* and the *(insert name of recognised tenants' association\*)*.

*\* Delete if not applicable*

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*
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)*
- 6.

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.

## **Appendix 8**

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

To all leaseholders of *(insert name of the premises)* and the *(insert name of recognised tenants' association\*)*.

*\* Delete if not applicable*

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 made 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)*.
- 6.

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

***For more information about the above or any other property matters contact the Property Team at Nantes Solicitors:***

***Bridport 01308 422313***

***Dorchester 01305 250100***

***Weymouth 01305 771000***

**[www.nantes.co.uk](http://www.nantes.co.uk)**