

Leasehold Team

Section 20 information

Section 20 (S20) is a clause in the Landlord and Tenant Act 1985 that is intended to protect those who pay service charges from paying unnecessarily large sums for work carried out to their building or services.

S20 sets out three-stage consultation process, (sometimes we only need to issue two notices) which landlords must follow when carrying out qualifying works or setting up a qualifying long-term agreement (QLTA).

What are qualifying works?

Work where a tenant (with a variable service charge) or leaseholder will have to pay more than £250.

These are major works, such as:

- New roof
- Pathways
- External guttering
- Lift repairs or replacement.

What is a qualifying long-term agreement?

A contract for more than 12 months where a tenant or leaseholder will have to pay more than £100 in a year.

These are contracts, such as:

- Cleaning
- Fire safety.
- Lift maintenance
- Grounds maintenance
- Buildings insurance
- Fire safety provision

Large contracts or qualifying works in excess of the government set procurement thresholds.

When the contract value, or the qualifying work exceeds a set procurement threshold, legislation requires that we consult with you in a slightly different manner.

Leasehold Team

This process eliminates your right to nominate a contractor to provide an estimate and allows Karbon to select an individual proposal when we outline the estimates received in relation to the qualifying works or long-term agreement.

Contracts and major works are publicly advertised and are therefore open to all contractors who may wish to tender for the work.

Sanctions for no compliance:

Your contribution to the cost of any work or service can be capped if we fail to follow the correct S20 consultation procedures first.

What happens during the consultation?

Before any work or contract starts, we must serve you with two or sometimes three documents.

Stage 1: Notice of Intention

The Notice of Intention sets out:

What work we intend to carry out. Why we need to carry out this work, or why we need to let this contract. You have 30 days to make any comments on the proposals, and where permitted, nominate a contractor that you would like to be included in the tendering.

Stage 2: Notice of Estimates

Once we have considered your feedback and asked contractors for prices, we will send you a Notice of Estimates which sets out:

- Cost for the tenders we have received
- Your estimated charge
- Summary of observations at the first stage

You have 30 days to make any comments on the tenders before we can instruct the successful provider.

Stage 3 Notice of Reasons

If the chosen contractor is not the most inexpensive, or is not one of the nominated contractors, we will write to you explaining why we have chosen the contractor we have.