

Service Charge – Section 20

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 a three-stage consultation process which landlords must follow when carrying out qualifying works, or setting up a qualifying long-term agreement (QLTA).

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 are qualifying works? | | | | | |
|---|--|------------|----------------------|---------------|-------------------------------|
| Work where a tenant or leaseholder will have to pay more than £250 | <ul style="list-style-type: none"> Major works, such as: <table border="0"> <tr> <td>✓ New roof</td> <td>✓ External guttering</td> </tr> <tr> <td>✓ Pathways</td> <td>✓ Lift repairs or replacement</td> </tr> </table> | ✓ New roof | ✓ External guttering | ✓ Pathways | ✓ Lift repairs or replacement |
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| 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 | <ul style="list-style-type: none"> Maintenance contracts, such as <table border="0"> <tr> <td>✓ Cleaning</td> <td>✓ ✓ Lift maintenance</td> </tr> <tr> <td>✓ Fire safety</td> <td>✓ Grounds maintenance</td> </tr> </table> | ✓ Cleaning | ✓ ✓ Lift maintenance | ✓ Fire safety | ✓ Grounds maintenance |
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| What happens during the consultation? | | | | | |
| Before any work or contract starts we have to serve you with three documents | | | | | |
| Stage 1: Notice of Intention | The Notice of Intention sets out: <ul style="list-style-type: none"> ✓ 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/or 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: <ul style="list-style-type: none"> ✓ 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 choose one | | | | | |
| Stage 3 Notice of Reasons | If the contractor we have chosen is not the cheapest, or was not one of the nominated contractors, we will write to you explaining why we chosen the contractor we have. | | | | |
| Frequently asked questions | | | | | |
| Do you always have to consult? | No, if the repairs are urgent due to serious health and safety concerns, we may apply to the First Tier Tribunal for a dispensation from consulting. | | | | |
| What can I do if the final cost is higher than the estimate? | We will always explain if the costs are higher than expected and there is an allowance included in the procedure. If you remain unhappy you can apply to the First Tier Tribunal and ask them to assess the reasonableness of the charge and if we have breached the consultation requirements. | | | | |
| Where can I find out more about S20? | The Leasehold Advisory Service website has comprehensive information about S20 consultation – www.lease-advice.org They provide independent advice for residential leaseholders and are funded by the government. | | | | |