



PROPERTY MANAGEMENT  
YOUR PROPERTY, OUR PROFESSION

## Important Information About Section 20

Section 20 is a legal consultation process introduced in the Landlord & Tenant Act 1985 (amended in 2002) in order to protect leaseholders when large sums of service charge funds need to be spent. For example, if you are having redecoration work or major repairs carried out, or if you are entering into a long term service contract, it is a legal requirement to formally consult all leaseholders first.

If any leaseholder is required to contribute more than £250 towards the cost of works to the building, then a S20 consultation is required. Similarly, if a service contract for more than 1 year will cost more than £100 for any participating leaseholder, the S20 consultation process needs to be followed.

Where possible, any building projects will be paid for using the property's reserve fund. Even if the funds have been built up over many years, the consultation must be carried out before the money can be spent. If there is not enough money in the reserve fund to meet the cost of the work (or if your lease does not allow for a reserve fund), the leaseholders may be asked to make an additional payment to cover the shortfall.

The S20 process takes place as follows:

1. First, you will receive a **Notice of Intention**. This explains the scope of the planned works and why they need to be carried out. This Notice also sets out a 30-day period, during which you are entitled to inspect the detailed scope of works; are invited to send comments and questions about the works; or you may nominate a contractor to provide a quotation. After the consultation period has ended, we will record any comments or observations and seek estimates from contractors, including from any that have been nominated by leaseholders.
2. Once we have obtained estimates, you will be sent a **Statement of Estimates**. This provides details of the quotations obtained and summarises any observations and responses following the Notice of Intention. Another 30-day consultation period is set out for you to inspect the quotations and make further written comments or observations regarding the estimates. Once the consultation period is over, and subject to the responses received, one of the contractors will be appointed to carry out the work.
3. If the chosen contractor is not the one who provided the cheapest estimate, unless they were nominated by a leaseholder, you will receive a **Notice of Reasons** to explain why that contractor was chosen. You will then be informed of the date work will commence.
4. During the course of the works, the chosen contractor will be instructed to minimise disruption, ensure health and safety on site and give residents advance notice of any restrictions or access required. The work will be monitored by an appointed surveyor or by the Managing Agent. If you have any concerns or comments about the work, please let us know.
5. When the works are complete, the work will be inspected to ensure they have been performed correctly and to a high standard, and you will be invited to send us details of any issues you believe need remedying. Once the contractor has resolved any outstanding problems, payment for the works will be finalised.