

## Section 20 Consultation Policy

### 1.0 Purpose of policy

- 1.1 This policy sets out how and in what circumstances Karbon Homes will consult with residents over qualifying works and qualifying long-term agreements. Karbon is committed to maintaining its properties to high standards and in doing so will collect all contributions due in accordance with leases and tenancy agreements.
- 1.2 This policy does not apply to those residents paying a Fixed Service Charge and those residents who do not pay a service charge in addition to their rent.

### 2.0 Objectives

- 2.1 This policy ensures that Karbon Homes:
  - 2.2 Will comply with its statutory obligations on consulting with residents as required in the Landlord and Tenant Act 1985 and in the Commonhold and Leasehold Reform Act 2002.
  - 2.3 To comply with all relevant legislation, regulatory guidance, and Codes of Practice, and to learn from examples of good practice.
  - 2.4 To communicate clearly with residents by providing accurate, timely information and advice.
  - 2.5 Provide residents the opportunity to influence and have their say on the services that they receive.

### 3.0 Policy detail

- 3.1 The Commonhold and Leasehold Reform Act 2002, Section 151, introduced new requirements for the statutory consultation of leaseholders. It replaced the original statutory consultation procedure (Landlord and Tenant Act 1985, Section 20) but the title 'Section 20' is retained. The new provisions require consultation to take place on Qualifying Works and Qualifying Long Term Agreements.
- 3.2 Consultation notices must be sent to residents who pay for a variable service charge and any Right to Buy/Acquire (RTB/RTA) resident. The new procedure stipulates that those affected residents have the right to nominate a contractor of their choice, subject to relevant criteria. Karbon Homes is duty bound to include any

nominated contractors in the tendering process provided they meet the minimum criteria.

- 3.3 Karbon Homes will be required to give reasons as to why the work or entering the agreement is considered necessary. Karbon Homes will also be required to state the reason(s) for the selecting the successful contractor.
- 3.4 Karbon Homes will be required to include two separate 30 day consultation periods for those affected residents to consider the recommendations.
- 3.5 Where emergency works are required and it has not been possible for Karbon Homes to have consulted with those affected residents in the required timescales, Karbon Homes will seek dispensation against the full consultation procedure at a First Tier Tribunal. Karbon Homes will however ensure that every attempt is made to comply within the spirit of the Act so that residents are not prejudiced in any way.

## **4.0 Qualifying Long Term Agreements**

- 4.1 A qualifying long term agreement (QLTA) is an agreement entered into by Karbon Homes with a wholly independent organisation or contractor for a period of more than 12 months. The agreement(s) may vary from a number of different services that are provided that are deemed re-chargeable to those residents affected in accordance of their lease or tenancy agreement such as cleaning, grounds maintenance or insurance.
- 4.2 Karbon Homes must consult with those affected residents where the amount payable exceeds £100 in any one year. This figure is calculated on the basis of the affected resident total contribution resulting from the agreement, including VAT (and any associated management or administrative costs which come specifically from the proposed agreement).
- 4.3 Prior to entering an QLTA Karbon Homes will serve a Notice of Intention advising residents that it intends to enter into an agreement whilst providing a description of the works or services to be provided and stating the reasons why it is deemed necessary.
- 4.4 The Notice shall be served on all those affected Leaseholders and recognised Tenants Associations (RTA's). They both have the right to nominate a contractor to tender for the work or services unless the contract is being procured under the European Procurement Regulations (OJEU) when this right will not be available.
- 4.5 Those affected residents will have a period of 30 days in which to make any comments on the proposals and Karbon Homes will give due regard to any observations made by residents.
- 4.6 Once Karbon Homes has tendered for the QLTA then it will prepare a Notification of Landlords Proposals giving an estimate of the works or the services provided. Residents will be giving the opportunity to review all the documents relating to the tender.

- 4.7 Residents will also be provided with a summary of all observations received after the first Notice and given a further 30 days to make further comments after the Notification of Landlords Proposals have been served before entering the proposed agreement.
- 4.8 Karbon Homes will notify all those affected residents within 21 days on entering the agreement stating the reasons for awarding the contract or give the opportunity for residents to inspect these. Karbon Homes will give a summary of observations received on the proposals and respond to them. This notice will not be required where the contract has been awarded to:
- A nominated contractor; or
  - The lowest tender..

## **5.0 Contracts for Works**

- 5.1 Karbon Homes must consult with all leaseholders where works on a building or premises requires those affected residents to pay a contribution over £250 towards the overall cost.
- 5.2 Prior to entering into a contract Karbon Homes will serve a Notice of Intention advising all those affected leaseholders whilst providing a description of the works to be provided and stating the reasons why it is deemed necessary.
- 5.3 The Notice shall be served on all those affected Leaseholders and recognised Tenants Associations (RTA's). They both have the right to nominate a contractor to tender for the work unless the contract is being procured under the European Procurement Regulations (OJEU) when this right will not be available.
- 5.4 Those affected residents will have a period of 30 days in which to make any comments on the proposals and Karbon Homes will give due regard to any observations made by residents.
- 5.5 Once Karbon Homes has tendered for the works then it will prepare a Notification of Landlords Proposals giving an estimate of the works provided. Residents will be giving the opportunity to review all the documents relating to the tender.
- 5.6 Residents will also be provided with a summary of all observations received after the first Notice and given a further 30 days to make further comments after the Notification of Landlords Proposals have been served before entering into the proposed contract.
- 5.7 Karbon Homes will notify all those affected residents within 21 days on entering the contract stating the reasons for awarding the contract or give the opportunity for residents to inspect these. Karbon Homes will give a summary of observations received on the proposals and respond to them.

## **6.0 Other Key Points**

- 6.1 Where Karbon Homes have failed to consult properly or have failed to seek dispensation from a First Tier Tribunal, then the maximum sum of monies that Karbon Homes can collect from each resident will be a £100 per annum per resident for any QLTA agreement and £250 per resident for any qualifying works.
- 6.2 Karbon Homes will endeavour to provide services that represent both value for money and to an excellent standard. To ensure that this is achieved Karbon Homes will have in place an efficient procurement strategy.
- 6.3 Where works are likely to result in large costs for leaseholders, then Karbon Homes will endeavour to provide information on payment options or sign post residents to organisations that can advise and support leaseholders. In certain circumstances Karbon Homes will advise residents where Sinking Funds, Reserves or other Provisions that may be used to cover the costs of the works.

## **7.0 Monitoring and Review**

- 7.1 This policy will be reviewed every 3 years unless there are significant changes to legislation or regulatory requirements.

## **8.0 Equality and Diversity**

- 8.1 This policy is implemented in line with Karbon Homes Equality and Diversity Policy and associated legislation. Consideration will be given to all protected characteristics under the Equality Act 2010 to eliminate discrimination, advance equality of opportunity and foster good relations.
- 8.2 This policy and associated documents are available in different languages and alternative formats where necessary.

## **9.0 Data Protection and Privacy**

- 9.1 Karbon Homes has a clear policy on data protection and sharing data with other partners/outside agencies under the requirements of the Data Protection Act 1998. This is clearly set out in Karbon Homes Data Management Policy which, along with the supporting Data Management Guidelines, must be followed throughout the operation of this policy.