karbon group

Providing a strong foundation for life.

SECTION 20 CONSULTATION POLICY

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Section 20 Consultation Policy

Responsible Officer	Executive Director of Customer Services
This policy is applicable to	Karbon Group
Policy version	3
Date this version implemented	June 2026
Date of next review	June 2031

Policy Statement

The Karbon Group is committed to providing excellent standards of service to its customers.

This policy is aimed at all service charge payers such as leaseholders, shared owners and variable service charge paying residents.

The policy is to ensure that the Group complies with its obligations under section 20 requirements so that a full and meaningful consultation with residents is undertaken prior to any major works to their building or long-term contracts are entered into.

Risk the policy is designed to control

Governance and Compliance	Failure to comply with statutory and regulatory requirements and failure in the arrangements for managing the organisation at the highest level

Definitions

Section 20	The requirement for landlords to consult before engaging contractors for major works or on long term agreements under Section 20 of the Landlord & Tenant Act 1985 (as amended by the Commonhold & Leasehold Reform Act 2002).
Section 20ZA	s20ZA Landlord and Tenant Act 1985 which gives landlords the right to apply to the First Tier Tribunal for dispensation from the Consultation Requirements of Section 20 Landlord & Tenant Act 1985.
Consultation Regulations	The Service Charge (Consultation Requirements) (England) Regulations 2003/1987.
Service Charge	Costs and expenses incurred by Karbon Homes in maintaining and managing a range of activities and obligations relating to a property/building including its physical condition, environment and use of both the demise and common areas, where such costs are recoverable from the owner/resident by virtue of the lease/tenancy agreement.
Variable Service Charge	Service charges, which are based on the actual or estimated cost of the service which may vary year to

	year. Those paying a variable service charge are liable for any deficit or are refunded any surplus.
Fixed Service Charge	Service charges which are set at a particular period within a year and remain fixed for 12 months. Residents are not liable for any deficit nor are they refunded any surplus.
Residents	Leaseholders, shared owners and tenants who live in a property or building that is owned or managed by Karbon Homes.
Recognised Tenant Associations	Formally recognised association by the landlord or a Rent Assessment Committee, under Section 29 of the Landlord & Tenant Act 1985.
First Tier Tribunal – Property Chamber:	
	A Tribunal that deals with applications, appeals and references relating to disputes over property and land. This includes over lease terms and the reasonableness of service charges.
Qualifying Long-Term Contract ("QLTA"):	
	An agreement lasting more than 12 months for which the service charge cost per resident is over £100 per annum.
Qualifying Works	Repair, maintenance, improvement or other works to a building for which the cost per resident is over £250.

Abbreviations

QLTA	Qualifying Long-Term Agreement

Policy Detail

1.0 Purpose of policy

1.1 This policy sets out how and in what circumstances the Group will consult with residents over qualifying works and qualifying long term agreements ("QLTA"). The Group 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.

1.3 This policy does not apply to any qualifying works QLTA provided through our property services teams, a contract of employment, an agreement between Karbon Homes and any of our subsidiaries. This policy will not apply to agreements lasting less than five years, entered into at a point where there were no residents at the

property (for example in a new housing development where the agreement was in place prior to the scheme being occupied).

2.0 Objectives

2.1 This policy ensures that the Group:

- Complies with its statutory obligations on consulting with residents as required in the Landlord and Tenant Act 1985 as amended by Commonhold and Leasehold Reform Act 2002 and as directed by The Service Charges (Consultation Requirements) (England) Regulations 2003 ("the Consultation Regulations").
- Complies with all relevant legislation, regulatory guidance, and Codes of Practice, and to learn from examples of good practice.
- Communicates clearly with residents by providing accurate, timely information and advice.
- Provides residents the opportunity to influence and have their say on the services that they receive.

3.0 Policy detail

Background

3.1 The Commonhold and Leasehold Reform Act 2002, Section 151, amended the statutory consultation rules set out in Section 20 of the Landlord and Tenant Act 1985, The Consultation Regulations require consultation to take place in respect of any proposed Qualifying Works and any proposed QLTA.

Note this Policy is not intended to replace the requirements in the Consultation Regulations, if there is any doubt the procedure as set out in the Consultation Regulations for either the Qualifying Works or QLTA should be consulted and followed.

Qualifying Works

3.2 Qualifying Works are any works to be carried out to a property or building which would require a resident to contribute over £250 per property as a service charge in accordance with their Lease.

3.3 In respect of Qualifying Works, the Group will follow the statutory requirements as set out in the Consultation Requirements for Qualifying Works. These steps are outlined below as follows:

a) A Notice of Intention is sent to residents to inform them that the Group intends to undertake Qualifying Works. The Group is required to describe the relevant matters and give reasons as to why the work or entering the agreement is considered necessary and given a statement of the total amount of expenditure

likely to be incurred in connection with the proposed works. The Notice of Intention should invite residents to provide observations in writing in relation to the proposed works or agreement and specify the contact details and deadline for those observations.

The period for this consultation will be a minimum of 30 days and affected residents have the opportunity to nominate a contractor of their choice, subject to relevant criteria. The Group is duty bound to include any nominated contractors in the tendering process provided they meet the minimum criteria. The Group will obtain estimates in accordance with the Consultation Requirements.

If the consultation period involves an inspection then the Notice of Intention should specify a place and hours for inspection and the place and hours must be reasonable.

b) Following the consultation period, a Notice of Proposals/Contract Notice is sent to residents to inform them of the contractors/service providers that have provided estimated costs for the qualifying works/QLTA. A minimum of two estimates will be included within the notice. The Group will provide the reason(s) for the selecting the successful contractor/service provider.

The period for this consultation is at least thirty days and affected residents have the opportunity to comment on the estimates provided.

c) The Group will then enter into a contract for the Qualifying Works with either the lowest estimate given or the nominated person.

d) Subject to paragraph 3.4 below, within 21 days of entering that agreement, the Group will give Notice that the agreement for Qualifying Works has been entered into or if a public notice is required will respond to observations received about the Qualifying Works.

3.4 Where the value of Qualifying Works is such that a public notice is required in order to comply with procurement regulations, although the Group must ask for and consider tenants' opinions and view, tenants do not have the right to nominate a contractor for these contracts. In addition, the notice of proposals and estimates would only include the details of the contractor that had been awarded the contract, along with the estimated costs.

3.5 An award of contract notice is only required in where the Group has not awarded the contract to:

- A contractor nominated by a tenant or recognised tenant association; or
- The lowest priced tender

3.6 Where emergency works are required and it has not been possible for the Group to have consulted with those affected residents in the required timescales, the Group will seek dispensation from compliance with the consultation requirements by application to First Tier Tribunal under Section 20ZA Landlord & Tenant Act 1985.

The Group 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.

Qualifying Long-term Agreements ("QLTA")

3.7 A QLTA is an agreement entered into by the Group with a wholly independent organisation or contractor for a period of more than 12 months. These agreements may cover a range of services that are provided such as cleaning, grounds maintenance or insurance. They may also take the form of energy supply contracts or long terms contracts for repairs and maintenance.

3.8 The Group must consult with those affected residents where the amount payable exceeds £100 in any one year. This figure is calculated based on the total resident contribution resulting from the agreement, including VAT (and any associated management or administrative costs which come specifically from the proposed agreement), divided by the number of residents in the scheme.

3.9 The Group will follow the procedure set out in the Consultation Requirements which is outlined below:

a) Prior to entering an QLTA the Group 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.

b) The Notice shall be served on all those affected Leaseholders and recognised Tenants Associations. They both have the right to nominate a contractor to tender for the work or services unless the contract must be advertised by public notice (published on the UK e-notification service called Find a Tender Service) when this right will not be available.

c) Those affected residents will have a minimum of 30 days in which to make any comments on the proposals and the Group will give due regard to any observations made by residents.

d) Once the Group 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.

e) Residents will also be provided with a summary of all observations received after the first Notice and given a minimum of 30 days to make further comments after the Notification of Landlords Proposals have been served before entering the proposed agreement.

f) The Group 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. The Group 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.

Other Key Points

3.10 Where the Group have failed to consult properly or have failed to obtain dispensation from a First Tier Tribunal, then the maximum sum of monies that the Group 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.

3.11 The Group will endeavour to provide services that represent both value for money and to an excellent standard. To ensure that this is achieved the Group will have in place an efficient procurement strategy.

3.12 Where works are likely to result in large costs for residents, then the Group will endeavour to provide information on payment options or refer residents to organisations than can advise and support leaseholders. In certain circumstances the Group will advise residents where Sinking Funds, Reserves or other Provisions that may be used to cover the costs of the works.

4.0 Customer Vulnerabilities

4.1 This policy is applied in line with our Customers in Vulnerable Circumstances Policy. We want people to be treated fairly, have equality of opportunities, freedom, respect, and access to our services.

4.2 We will support people in vulnerable circumstances to help us deliver this service. We will work alongside external agencies such as social services, the police and fire services and other appropriate agencies to help and support people in vulnerable circumstances and to ensure we meet our statutory and regulatory requirements as a social landlord.

4.3 Policies and key information are made available on our website.

5.0 Monitoring and Review

5.1 The Executive Director of Customer Services is responsible for delegating the monitoring, review and implementation of this policy.

5.2 This policy will be reviewed at least every 5 years. The review will be brought forward if there are significant changes to good practice, regulatory or legislative requirements.

6.0 Equality and Diversity

6.1 This policy is applied in line with our Inclusion and Belonging Policy. This includes the legal requirements of the Equality Act 2010, Workers Protection Act 2023 and the Public Sector Equality Duty.

6.2 At the Karbon Group we aim to eliminate discrimination, promote equality of opportunity, foster good relations and define the nine protected characteristics of age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

6.3 If you would like this or any other policies in a different language or format please contact inclusion@karbonhomes.co.uk.

7.0 Data Protection and Privacy

7.1 We have a clear policy on data protection and sharing data with other partners/third parties under the requirements of the UK General Data Protection Regulation, the Data Protection Act 2018 and other associated legislation. This is clearly set out in the Data Protection Policy for the Karbon Group which, along with its associated procedures, must be followed throughout the operation of this policy.