Understanding Section 20 Consultations

As a leaseholder or tenant paying a variable service charge, you are obliged under the terms of your lease or tenancy agreement to pay towards the cost of services, repairs, maintenance or improvements to your flat, building and estate.

Section 20 of the Landlord and Tenant Act 1985 requires us to provide you with details and ask for your opinions about intended works and services. This is known as consultation. Section 20 sets out the way we must consult with you. If we do not do this, we might not be able to charge you the full cost of the works and services.

This leaflet is provided to help you understand the consultation process and provide answers to some frequently asked questions.

This leaflet accompanies a notice of proposal to enter into a qualifying long term agreement.

This leaflet is not a substitute for the formal notice which should be read in full.

Frequently Asked Questions

Why was a notice of proposal sent to me?

The notice of intention is served on:

- leaseholders
- tenants paying a variable service charge
- secretaries of Recognised Tenants’ Associations
- leaseholders who have purchased off plan, but might not yet have signed their lease.

If you have received the notice and you are not the leaseholder for the property please pass this notice on.

What is a notice of proposal?

As your landlord, we are obliged to provide you details of the proposed qualifying long term agreement we intend to enter into. The notice includes the name and address of the proposed contractor, details of any known relationship between contractor and landlord, the cost and duration and details of costs to be incurred by the leaseholder. We have served the notice of proposal on you to ensure compliance with our legal obligations.

The notice of proposal follows a previous consultation entitled Notice of Intention which was carried out in 2014 and a copy of which can be located at the following address:

www.metropolitan.org.uk/customers/leaseholders

What is a qualifying long term agreement?
A qualifying long term agreement is one where the cost of services or works is likely to be more than £100 (one hundred pounds) for a leaseholder in any accounting period. Most of our service charge accounting periods run from April 1 to March 31.

A qualifying long term agreement is sometimes referred to as a 'long term agreement' or a 'QLTA'. QLTAs are used because they provide an efficient way to get work done and are more cost-effective for our leaseholders and tenants. Giving contractors a longer contract helps keep costs down.

**Metropolitan are not the Freeholder of my property?**

If Metropolitan are not the freeholder of your building, then it is possible the responsibility for maintaining the estate areas may rest with a third party or with yourself... If this is the case, this notice may not be relevant to you. In some instances, we may still be responsible for maintaining some external areas of a block/estate, in which case this notice will be of relevance to you. If you are unsure whether the s.20 notice of intention applies to you please, contact us or send in any observations that you may have about the consultation. Our contact details are at the end of this leaflet.

**Metropolitan are not responsible for estate services including cleaning and or gardening tasks to my property/block/estate.**

If the building or estate are managed or owned by another company or organisation, they may be responsible for ensuring that the estate and block cleaning and gardening takes place.

Your lease will state who is responsible for providing this service and to whom the service charge is payable to. A copy of your lease or your deeds can be obtained from the Land Registry: [www.landregistry.gov.uk](http://www.landregistry.gov.uk) or by phone 0844 892 1111

Some properties such as those under the DIYSO scheme may be responsible for these services. Your service charge summary and demands will show whether you pay for cleaning and any gardening/estate works to Metropolitan.

**How did Metropolitan select the contractors?**

Metropolitan advertised the opportunity to bid for the QLTA in the Official Journal of the European Union. This was carried out under a procedure which restricts bidders based on their financial standing and technical and professional abilities.

Metropolitan used a pre-qualification questionnaire to select the contractors invited to tender for the QLTA. Following selection, tender documents were issued with clearly-defined evaluation criteria.

The contract is to be awarded on the basis of the most economically advantageous tender - in other words, the best value for money.

**If the contractor doesn't perform well, will they keep getting work?**

The contract will say that if works or services are not delivered or are not value for money, we may end the contract and or not seek to extend the contract duration after the first 2 years. It will, therefore, be in the contractor’s interest to ensure it carries out the works and services well and provides value for money.
How do I make observations?

Observations must be delivered to the stated address or to the provided email address on or before the consultation close date stated in the consultation notice.

A reply form is included for your convenience. You do not have to use the form and only need to respond if you have observations you wish to make.

Observations received after the closure date or sent to another address will not be considered.

What will you do with my observations?

Regulations require us to have regard to your observations, which we will. A summary of the observations will be posted on our website page: www.metropolitan.org.uk/customers/leaseholders following the closure of the consultation.

How would residents be involved in managing services?

We want to get residents more involved in decisions which affect the type of service you receive. As well as improving information about job specifications and schedules, under the new contract we will be developing better opportunities for resident involvement. Such as getting residents more involved with joint estate inspections with the contractor.

What are the main differences with the new contract compared to the existing contract that is ending?

- Whilst self monitoring will continue the key performance indicators will be set by Metropolitan where currently the key performance indicators are set by the main provider. These performance indicators will now be the same for all contractors.
- Resident committee members may be involved with some operational meetings with the contractor
- Increased added value – contractors are expected to provide wider benefit to the communities they work in I.e. employment opportunities (this exists currently but will be scrutinised more)

What are our expectations in relation to service delivery?

The new contract will work towards delivering a specification of service delivery that can be tailored to each area of our business.

What services will be delivered within the new contract?

As well as the usual grounds maintenance, arboriculture works, cleaning, window cleaning; we anticipate playground inspections, reporting of general repairs, highlighting insurance risk on our estate, fly tipping removal, water testing and testing of Fire Alarm sounders will be included.

Who will approve the new contract?

The new contract will be approved and signed off by Metropolitan’s Board following a Section 20 Consultation.
When will the existing contract terminate?
The existing grounds maintenance contract, cleaning contract and window cleaning contract all terminate just before the new contract starts.

When will the successful contractor be announced?
The successful contractor is due to be announced around the 20th of March, residents will be notified via the website shortly afterwards.

When will the new contract commence?
It is anticipated that mobilisation of the new contract will start in early/mid May 2015.

Who will deliver contract services in the interim period?
Our existing, individual, service providers have agreed to supply us with a rolling service delivery, on a month by month basis, so as not to impact on existing service delivery levels.

Contacting us:
If you wish to have an informal discussion about the consultation please contact Customer Services on 020 3535 3535 or email us at contactus@metropolitan.org.uk

Thank you