

# **Additional Information – Section 20 Consultation**

## **What is section 20 (s.20) Consultation?**

As a Leaseholder or Tenant paying a variable service charge, you are obliged under the terms of your lease / tenancy agreement to pay towards the cost of services, repairs, maintenance or improvements to the building your flat is in or the estate it is on. Section 20 of the Landlord and Tenant Acts (1985 & 1987) requires us to provide you with details and ask for your opinions about the intended or proposed works/services being consulted on. Section 20 sets out the way we must consult, if we do not do this we may not be able to charge you the full cost of the works under this contract.

This leaflet is provided to assist you with understanding the statutory consultation and provide answers to some frequently asked questions.

This leaflet accompanies a statutory Section 20 Notice of Intention to enter into one or more Qualifying Long Term Agreements for Fire Risk Assessment Works Contract and Electrical Installation Condition Report Works Contract.

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

## **Why was the notice sent to me?**

The notices are intended to be served on:

- Leaseholder/s named on the Lease agreements
- Tenants paying a variable service charge
- Secretaries of Recognised Residents Associations
- Leaseholders who have purchased off plan and may not yet have signed their Lease.

## **Why have you sent a section20 Notice?**

As Landlord, we are obliged to serve you with a notice when we intend to enter into Qualifying Long Term Agreements. We have served you the notice to ensure compliance with our legal requirements and the Commonhold and Leasehold Reform Act (2002) which will enable us to recover the full costs for works or services.

## **What is a Qualifying Long Term Agreement?**

A Qualifying Long Term Agreement is where cost of services or works are likely to exceed more than £100 (one hundred pounds) in any accounting year for any Leaseholder or tenant with a variable service charge. Most of our Service Charge accounting periods run from April 1 to March 31, some leases may vary.

These contracts are also referred to as Long Term Agreements or QLTA's.

QLTAs provide an efficient way to get work done and which is more cost effective for our customers. Providing contractors with contract security for a longer period of time helps us to keep costs down and maintain our knowledge of our properties.

## **How will Metropolitan select the contractors?**

Metropolitan will use a competitive tendering process. Metropolitan will select contractors to enter into dialogue following the Public Notice using a pre-qualification questionnaire. Then, following selection, further tender documents will be issued with clearly defined evaluation criteria. The dialogue will be conducted in successive stages, with the option of reducing the number of proposal options (and therefore bidders) at each stage. Bidders will be eliminated on the basis of applying pre-agreed and clearly stated award criteria in the tendering documents.

The contracts will be awarded on the basis of the Most Economically Advantageous Tender.

### **Can I nominate a contractor?**

The notice we have served is a public notice which is subject to the rules of the European Parliament requiring us to advertise the contracts across Europe. You can advise a contractor you may know of to look at the notice on the website of the Official Journal of the European Union (OJEU) and to express their interest in either or both contracts through the official process.

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

The contracts will clearly stipulate that if the contractor's service is not as expected or does not provide value for money, we can ultimately end the contract. The contractor will be aware of this so it will be in their interest to ensure they carry out works and services within acceptable parameters for standard and value, the performance indicators for which will be set out in the contracts.

### **How can I make my observation comments?**

Observations must be received within the 30 day consultation period. Please note we allow an additional 5 or more days on our notices to cover mail delays.

The date of the notice this leaflet accompanies is **29 December 2014 and the closing date is 9 February 2015.**

You can send written observations about the consultation to:

Jo Hinton – Leasehold Manager, Metropolitan, The Grange, 100 High Street, Southgate, N14 6PW

Observations will only be accepted in hard copy in writing by post or hand delivery to the stated office or by email to [consultation@metropolitan.org.uk](mailto:consultation@metropolitan.org.uk). A reply form is included for your convenience for both contracts.

### **What do you do with my comments?**

We will record your comments and discuss them at a specific meeting and our responses will be recorded in a summary chart which will be sent to all Leaseholders/ Recognised Tenant Association Secretaries and Tenants with a variable Service Charge with the Notice of Proposal that will be sent to you following the tendering period.

A copy of the summary will be posted on our website following the close of the consultation.

[www.metropolitan.org.uk/customers/leaseholders](http://www.metropolitan.org.uk/customers/leaseholders)

### **My block doesn't need any works?**

If no works are identified we will not undertake any. Works will be identified from Fire Risk Assessment Reports and Electrical Installation Condition reports as carried out.

Please note, unless we are obligated to carry out these tests and works within your flat, the intention is these works will be limited to communal areas and services

### **How much do I have to pay?**

At this stage there are no additional costs as a result of the consultation other than your general annual service charge and rent payments. Once the contract is in place, testing and reports are completed, we will let you know of any planned major works by a third consultation which will give you details and costs together with an additional opportunity to comment.

If your building has a Sinking Fund or Reserve Fund that can be utilised we will let you know of how we intend to use the funds and if there is to be a charge for any shortfall required to be paid.

## **What is a Sinking Fund / Reserve Fund?**

These are interest bearing pools of money collected with your service charge payments for permitted future repairs or replacements in accordance with your lease. The amount collected may not always cover the full cost of the works and you may be required to pay a top up, you will be notified of what this at the time.

The lease may stipulate what the fund may be spent on. It may specify (but not exclusively) one or more of the following:

- Cyclical redecoration and repairs
- Lift (if any) Renewal
- Window replacements
- Roof repairs/ renewal

If you pay into a Sinking or Reserve fund you will note details of the accumulated amount for your block/estate (including details of any expenditure) on your annual service charge statement. If your lease does not include this provision you may be required to pay your apportionment (or share) of any major works costs in full. We strongly advise for you to plan and make provision for any future works costs.

## **Metropolitan are not the Freeholder of my building?**

If Metropolitan are not the freeholder, then it is possible that the responsibility for maintaining the structure and the fabric of the building and common parts may rest with a third party. If this is the case, this notice may not be relevant to you. In some instances, we may still be responsible for maintaining the communal hallway of a block but not the external common parts, in which case this notice will be of relevance to you. If you are unsure if the notice 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.

## **A Managing Agent provides services to our block / estate?**

If your estate or block is managed by a third party Managing Agent such as Trinity, Residential Management Group (RMG) or Countrywide or any other block managing agents, Metropolitan may not be responsible for the structure and fabric of the building and ensuring the decorative order is to a desired standard, and or maintenance of the estate. If this is the case please ignore this notice and letter. If you are unsure if the notice 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.

## **I live in a house, does this notice apply to me?**

If you have a lease you may be obliged to contribute towards the works/ services to the estate and any building that your house is part of (or benefits from). Your lease will state your obligations. If you have no obligations under the terms of your lease to contribute to, then please disregard this notice.

## **What happens next?**

The s.20 Notice of Intention is the first stage of the process. Once all comments have been responded to, we will close off the consultation and proceed to the tendering stage. The OJEU public notice will be served ahead of the tendering.

Once the tender stage is completed, we will proceed to the second stage of consultation – Notice of Proposal. At this point, we will advise you of our contract proposals and provide you with the details and costs of the associated works, services or goods. Sometimes this information is too large to send in which case, we will make this available to you to view at our local offices. You will be made aware of how and where to view any documents within the Notice of Proposal. Where we cannot provide you with costs, we will let you know why and when these will be made available to you.

You will have a further chance to comment during the Notice of Proposal Stage and we will again consider and respond to your observations. You will receive a copy of the full summary of observations from the first consultation stage.

Once we have completed the second consultation stage, we will look to enter in to the contract/s. Whilst any reporting and testing may commence along with the contract start, the major works may not affect you for a number of months. When your building is identified as requiring major works you will receive a third stage consultation which will provide you with specific details of the works to be carried out plus an estimate of the cost for these works. Again you will have an opportunity to comment and we will again consider and respond to your observations.

### **What is a Fire Risk Assessment?**

This is an assessment of the fire integrity and management of the building and is a legal requirement to be carried out within communal areas of the premises that we own and manage. This risk assessment will identify risks and hazards that need to be rectified to prevent the spread of fire and keep residents safe.

### **What are Fire Preventative works?**

The fire prevention works are the actions that we need to take to ensure we maintain the safety of our residents. For example the works could result in communal doors being repaired and adjusted or even replaced.

### **What is an Electrical Installation Condition Report?**

This is an inspection of the supply, distribution cables and outlets for power and lighting supplies that service either individual properties or communal areas. We have an obligation under the 17<sup>th</sup> Edition Institution of Electrical Engineers (IEE) Regulations to carry out an inspection of the supply, distribution cables and outlets for power and lighting. This report identifies Category 1, 2 and 3 repairs that need to be carried out. Category 1 and 2 repairs need to be carried out at the time of the survey by a competent electrician.

### **Contacting us:**

If you wish to have an informal discussion about the consultation please contact Jo Hinton on 020 3535 3535 or email us at [contactus@metropolitan.org.uk](mailto:contactus@metropolitan.org.uk). marking your email 'Leasehold Consultation'

**Thank you**