



PEAKS & PLAINS
Housing Trust

The Trust

Statutory (Section
20) Consultation

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1. INTRODUCTION

- 1.1. This document outlines Peaks and Plains Policy in respect of Statutory (section 20) Consultation for the recovery of costs included in variable service charges and major works charges for leaseholders, shared owners and tenants.
- 1.2. The purpose of the Policy is to guide customers and staff as to the required consultation required prior to commencing any Qualifying Works or entering into any Qualifying Long-Term Agreements, and to ensure that all expenditure can be recouped.

2. DEFINITIONS

- 2.1. A Service Charge is an amount payable under the terms of the occupancy agreement for services, repairs, maintenance, renewals, improvements, insurance and the landlord's cost of management.
- 2.2. A Major Works Charge is an amount payable (usually by a leaseholder or shared owner) for structural, replacement or high value works carried out by the Landlord in accordance with the terms of the lease.
- 2.3. A Sinking Fund is an amount of money set aside to pay towards expected future major expenditure. It is held as a separate fund associated to the individual property and that property's apportioned contribution to major works. Statutory Consultation is required prior to recovering major works costs from Sinking Funds.
- 2.4. Statutory Consultation is set out in Section 20 of the Landlord and Tenant Act 1985 (as amended) and the Service Charges (Consultation Requirements) (England) Regulations 2003.
- 2.5. Qualifying Works are any works that will result in a charge of more than £250 to any one service charge payer¹.
- 2.6. A Qualifying Long-Term Agreement is a contract for a period of more than one year that will result in a charge of more than £100 per year to any one service charge payer².

3. POLICY STATEMENT

- 3.1. Peaks and Plains will carry out Statutory (Section 20) Consultation with leaseholders, shared owners and tenants as required by legislation prior to commencing any Qualifying Works or entering into any Qualifying Long Term Agreements.
- 3.2. Peaks and Plains will follow the specific requirements as set out in the Service Charges (Consultation Requirements) (England) Regulations 2003.

¹ Definition of Qualifying Works and value correct as at June 2022

² Definition of Qualifying Long Term Agreement and value correct as at June 2022

- 3.3. Customers will be invited to make observations in respect of the works to take place, or the contract to be entered into, and the contractors to be appointed to carry out the works or deliver the services.
- 3.4. A Recognised Tenants Association (where applicable) will also be invited to make observations in respect of the works to take place, or the contract to be entered into, and the contractors to be appointed to carry out the works or deliver the services.
- 3.5. All contractors invited to tender for works or services (including any contractors nominated by customers) will be required to meet specific criteria.
- 3.6. Where more than one contractor is nominated by customers, the contractor(s) with the highest number of nominations will be invited to tender.
- 3.7. If nomination of contractors is not possible, Peaks and Plains will outline the reasons in the notices sent to customers.
- 3.8. In the case of emergency works Peaks and Plains will endeavour to act in the spirit of the legislation and will keep customers as involved and informed as is possible under the circumstances

4. LEGAL FRAMEWORK

- 4.1. Peaks and Plains policies and procedures have been designed in line with all current and relevant legislation, which includes:-
 - Landlord and Tenant Act 1985
 - Commonhold and Leasehold Reform Act 2002
 - Service Charges (Consultation Requirements) (England) Regulations 2003.

5. EQUALITY & DIVERSITY

- 5.1. The Trust will monitor the impact of this policy to ensure that processes are followed consistently, fairly and effectively.

6. RESPONSIBILITY

- 6.1. The Director of Operations will be responsible for the effective implementation of this policy. The Head of Asset and Compliance will oversee the work of the Asset Team in the delivery of investment activity which is subject to section 20 consultation.
- 6.2. The Head of Development will be responsible ensuring leaseholders are made aware of any changes which relates to service charges, sinking funds and consultation required as a result of major improvement work.

7. CONSULTATION AND MONITORING

- 7.1. Targets to ensure adherence to the policy and process will be set by and reported to the Senior Leadership Group
- 7.2. The Trust's Executive Management Team will receive information on the operation of the Statutory (Section 20) Consultation Policy twice a year and report to Board if appropriate to do so.

8. ASSOCIATED DOCUMENTS

- 8.1.
- Statutory (Section 20) Consultation Procedure Guide
 - Leaseholder Charges Policy
 - Leaseholder Handbook
 - Rent arrears Policy

POLICY INFORMATION

Policy Name:	Statutory (Section 20) Consultation Policy
Status:	Approved
Approved by:	EMT
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