

Major Works and S20 Consultation Policy

The Policy outlines the London Borough of Croydon approach to the way we plan, implement, and manage major repairs and improvements, S20 consultation and invoicing of major repairs for leasehold properties within blocks owned and managed by Croydon Council.

This policy applies to everyone who is employed directly or works for or on behalf of the London Borough of Croydon. This includes all those employed directly on permanent, temporary, or casual contracts and those employed directly including agency staff and consultants. The policy also applies to those who are external secondees.

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1. Purpose

- 1.1. The purpose of this policy is to outline our approach to the way we manage major repairs and improvements consultation with leaseholders, the issue of S20 notices and invoicing.
- 1.2. To allow residents the opportunity to comment on the landlords' proposals for services and works for Leasehold properties managed by Croydon Council.
- 1.3. **Leaseholder Contributions:** Leaseholders of the London Borough of Croydon are required to pay for major works and improvements provided to the building and estate where the property is situated. Consultation under S20 is required for:
 - Qualifying Work – This is work on a building or any other premises and includes improvement work where the cost of the work exceeds £250 per leaseholder - planned or unplanned works.
 - Qualifying Long-term Agreements – this is an agreement that the landlord enters into with an independent organisation or contractor for a period of more than 12 months after 31 October 2003, and where the cost exceeds £100 per year per leaseholder for any goods or service including major and responsive repairs.
- 1.4. Part of our role is to consult, invoice and collect these charges where applicable. In this regard we will follow the legislation and Section 20 requirements in conjunction with our approved service charge collection procedures.

2. Statement of Intent

- 2.1. **Consultation with leaseholders** - Landlords are legally required to consult with leaseholders before carrying out Qualifying Works or entering into a Qualifying Long-term Agreement for providing services. Section 151 of the Commonhold and Leasehold Reform Act 2002 (the Act) introduced requirements for consulting leaseholders and replaced the consultation procedures under Section 20 of the Landlord and Tenant Act 1985. However, the old title "Section 20" is still used in the context of the consultation procedures. The Service Charges (Consultation Requirements) (England) Regulations 2003 (regulations) became law under S151 of the Act and set out precisely the procedures landlords must follow. These regulations separate the consultation procedures into four schedules, each covering different contracts.
- 2.2. This means that leaseholders are entitled to consultation, and the Section 20 Notice will include the following:
 - A description of the works
 - The name of the contractor
 - An estimate of the proposed works
 - An estimate of the Leaseholder's contribution to the proposed works

- Notice period of 30 days to send observations on the proposals.
 - A commitment to reply to observations within 21 calendar days.
- 2.3. **Budget Allocation:** The London Borough of Croydon will define the Capital Budget, allocating a specific budget for major repairs and improvements for their housing stock. The budget will be determined based on available funds, the urgency and scope of projects, and long-term planning considerations.
- 2.4. **Contractor Selection and Procurement:** A transparent and competitive process will be followed for selecting qualified contractors to perform major repair and improvement work.
- 2.5. **Project Management:** A dedicated Stock Investment and Asset Management team will plan and oversee major repair and improvement projects. They are responsible for coordinating with contractors, monitoring project progress, ensuring quality control, and managing the budget and timelines.

3. Scope

- 3.1. This policy applies to all Leasehold properties which require major repairs or improvement, and which are owned by the London Borough of Croydon and directly managed by the Council's internal Housing Service.
- 3.2. The scope includes structural repairs, renovation projects, infrastructure upgrades, replacements doors, windows, roofs, and other significant planned maintenance activities to the structure of the block or estates improvements.
- 3.3. The Asset Management team will advise Leasehold services when the programme is agreed and request for S20 Consultation prior to appointment of the contractor.
- 3.4. Croydon Council will engage and communicate with affected leaseholders, to provide timely information about major repair and improvement projects. This is in line with our Resident Engagement framework and will include statutory S20 notices and non-statutory consultation. We will consider feedback and concerns during the planning and implementation stages and will make efforts to do all that we reasonably can to minimise disruptions and inconvenience.
- 3.5. **Leasehold services will consult with the leaseholder in accordance with the consultation rules for Qualifying Long Term Agreements as set out in Schedules 1 and 2 of the regulations.**

Schedule 1 - Qualifying Long Term Agreement

- Public notice is NOT required under OJEU.
- **Stage 1 – Notice of intention** - 30 days to make written observations to landlord and the right to nominate a contractor.

- **Stage 2 – Landlord’s proposals** - 30 days consultation period. The proposals must include at least 2 estimates for the works, summary of observation from the notice and invite leaseholders to make written observations on the proposals and date the 30 days consultation period.
- **Stage 3 – Award of contract** – Notice to be sent to each leaseholder and RTA within 21 days of entering into the agreement – only necessary if agreement is not awarded to the lowest tender or the contractor nominated by the leaseholder or RTA -

Schedule 2 – Qualifying long terms Agreement.

- Public notice IS required under OJEU.
- **Stage 1 – Notice of intention** - Invite leaseholders and RTA to provide written observations on the agreement within 30 days of the Notice but DOES NOT HAVE right to nominate a contractor
- **Stage 2 – Landlord’s proposals** – Notice of the proposal to be sent to the leaseholders and the RTA, to include details of the contractor and other relevant information relation to the agreement and a copy of the proposal or specify place and time where it can be inspected. Notice to explain that the leaseholder has 30 days to send their written observations to the landlord, and landlord to send their written response within 21 days of receiving the observations

Schedule 3 – Qualifying works that are being carried out under an existing Qualifying long-term Agreement.

- **Stage 1 - Notice of intention** (Section 20) - Landlord must send the notice to the leaseholders and the RTA. This is a one stage process and gives a description of the works and an estimated cost. Landlord to invite leaseholders to provide written observations on the proposed work or the estimated cost within 30 days of the Notice and landlord to send their written responses within 21 days of receiving the observations.

Schedule 4 – part 1 - Qualifying works not being carried out under a Qualifying Long-Term Agreement where Public Notice IS required.

- **Stage 1 – Notice of intention.** 30-day consultation period.
 - Landlord must send the notice to the leaseholders and the RTA. Notice to include details given of proposed works and reasons, no right to nominate a contractor, invite observations from leaseholders and RTA.
- **Stage 2 – Preparation of Landlord’s Contract Statement** - 30-day consultation period.
 - Statement to contain details of estimated costs, inform leaseholders to send written observations within 30 days of notice and landlord to respond to observations within 21 days of receipt.

Schedule 4 – part 2 - Qualifying works not being carried out under a Qualifying Long-Term Agreement where Public Notice IS NOT required.

- **Stage 1 – Notice of intention** 30-day consultation period.
Landlord must send the notice to the leaseholders and the RTA.
 - Notice to contain details of proposed works and reasons for them. DO HAVE THE right to nominate a contractor, invite observations from leaseholders and RTA.
- **Stage 2 – Notice of Landlords estimates** - 30-day consultation period.
Landlord must send the notice to the leaseholders and the RTA.
 - Notice to include details of estimated costs, inform leaseholders to send written observations within 30 days of notice and landlord to respond to observations within 21 days of receipt.
- **Stage 3 – Award of Contract** - Notice of the award to be sent to each leaseholder and RTA within 21 days of the award and must explain the landlord's reasons for awarding the contract. Only necessary if agreement is not awarded to the lowest tender or the contractor nominated by the leaseholder or RTA.

3.6. Risks

- Failure to consult correctly means we are restricted to the amount we can collect from each leaseholder, which is;
- Under a Long-term Agreement - £100
- Under Qualifying Works - £250

3.7. Invoicing of Major Works

- 3.1.1. The major works invoice will be raised after the final costs have been agreed by planned maintenance surveyors and this only happens after the works are fully completed and signed off. With large projects this process can often take over 6-12 months after completion is finalised.
- 3.1.2. The Asset Management Team will send the final account to the Leasehold services team. This will be required no later than 18 months from the date of the 1st payment made to the contractors. Final costs should be provided as soon as possible after the contract has completed.
- 3.1.3. Major works invoices are based on actual expenditure. The Leasehold services team will apportion the costs as per the lease agreement with the leaseholder and prepare the leaseholders invoice which will be raised on the NEC system and sent to the leaseholder. Payment of the invoice is due within 28 days unless the leaseholder applies for a repayment plan option.
- 3.1.4. We currently offer the following repayment plan options:

Invoices Between

£250 - £2000	Over 12 months
£2000 - £4000	Up to 24 months
£4000 and over	Up to 4 years with no interest
£20,000 and over	Up to 10 years *

*** Interest free for the first 4 years. Interest charged for the remaining 6 years at base rate plus 1%. A charge is placed on the property.**

The Council does not operate a sinking fund for major works.

4. Legal Framework

- 4.1. This Policy will ensure compliance with the following standards and legislation and promote good practice. We comply with all relevant legislation and often exceed statutory requirements.

Legislation includes but is not limited to:

- The Landlord and Tenant Act 1985
- The Building Safety Act 2022
- Commonhold & Leasehold Reform Act 2002

- 4.2. All major repair and improvement work will comply with applicable building codes, health and safety regulations, environmental guidelines, and other relevant standards. Croydon Council will ensure that contractors appointed for such projects also adhere to these requirements. Necessary permits and approvals will be obtained prior to commencing any work.

5. Record Keeping

- SharePoint spreadsheets & Leaseholder & Block files
- Document management - NEC
- NEC – Invoicing of cost

6. Performance Reporting

- Monthly KPI on raised S20 Notices and invoices.

7. Roles and Responsibilities

7.1. Director of Housing Management

The Director of Housing Management will have overall responsibility for the implementation of the **Major works and improvement issue of Section 20**

notices to our leaseholders and the leasehold invoicing of major works policy.

7.2. Head of Services

The Head of Income, Lettings and Leasehold Services will develop, implement, and monitor the effective management of leasehold Section 20 Notices and invoicing, including appropriate management of collection of the service charge, to ensure the Council delivers an efficient and value-for-money service, by exceeding key performance indicators (KPI's) and financial targets.

The Head of Income, Lettings and Leasehold Services will ensure the services comply with all property-related legislation and regulations made from time to time and has an up-to-date knowledge of Policy at a national and local level, to inform the Council of any changes. The Major works and S20 policy and associated procedures are embedded within the operational delivery of Leasehold services, and all staff are aware of their responsibilities and are adequately trained to carry them out.

7.3. Council staff and Contractors

Will follow the Major works and S20 Policy and related service charge collection Policy, the associated rules, and procedures, and have an awareness of property-related and leasehold consultation legislation and regulations to ensure the operational delivery is fair and consistently delivered across our services. Staff and contractors are aware of their roles and responsibilities and regularly carry out mandatory and personal development training offered to them.

8. Equalities

- 8.1. The Council is committed to promoting fair and equal access to services and equal opportunities in employment, the procurement of goods and as a community leader. The Council's policies, procedures and day to day practices have been established to promote an environment which is free from unlawful and unfair discrimination, while valuing the diversity of all people.
- 8.2. Discrimination on the grounds of race, nationality, ethnic origin, religion or belief, gender, marital status, sexuality, disability, and age is not acceptable: the Council will take action to ensure no person using the Council's premises or services receives less favourable treatment or is disadvantaged by requirements or conditions that cannot be justified. The Council will tackle inequality, treat all people with dignity and respect and continue to work to improve services for all service users.
- 8.3. The legal framework for the Council's approach is provided by the Equality Act 2010 and specifically by the Public Sector Equality Duty, under which a public authority must work consciously to eliminate discrimination, harassment, and

victimisation, and to advance equality of opportunity and foster good relations between people with differing characteristics.

- 8.4. Further detail on the Public Sector Equality Duty, and the Council's approach to fulfilling its requirements, can be found on our website.

9. Appeals and complaints

- 9.1. Should there be a complaint from a Leaseholder concerning, any aspect of the Major works consultation or invoicing, this will be dealt with via the Council's Corporate Complaints Policy.

10. Consultation

- 10.1. Stakeholders with responsibility and operational knowledge of leasehold legalisation, have been consulted during the development of this policy.

11. Monitoring and Review

- 11.1. This policy will be reviewed every five years, or sooner if required by statutory, regulatory, best practice, emerging developments, or circumstances arising from reviews of other Council wide policies.
- 11.2. Arrangement for a full internal audit of our major works and S20 Notice processes will be undertaken by the Council's Internal Auditors. The full scope of the audit will be agreed.

12. Document Control

- 12.1. This is a controlled document and should not be changed unless by authorisation of the policy owner.

Monitoring	
Approved Date:	March 2024
Next Review Date:	March 2029
Effective date:	6 March 2024
Consultation Review	
Stakeholders review:	June 2025
Legal review date:	February 2024
Policy owner:	Head of Income, Lettings and Leasehold Services
Ratified by:	Housings DMT on 6 March 2024

Equality impact assessment:	The impact of this policy will be measured as it is implemented and used as part of a scheduled 1-year implementation compliance review.	
Version History		
Version Number	Summary of change	Author and Approver
1.0	New Policy	Developed and reviewed with subject matter experts in Housing,