Major works and the Section 20 consultation

When the consultation rules apply, the stages to follow, and what happens if you get it wrong.

Before a landlord, management company or RTM company can recover more than a set amount from leaseholders for major works, or for a long-term agreement, it must consult them. The rules are in section 20 of the Landlord and Tenant Act 1985 and the regulations made under it. If the consultation is not done properly, the amount that can be recovered is limited.

When it applies

- **Qualifying works:** where the contribution of any one leaseholder would be more than £250.
- **Qualifying long-term agreements:** agreements for more than twelve months where a leaseholder's yearly contribution would be more than £100.

Work out the cost per flat, not just the total. Do not split a project into small pieces to avoid the limit.

The usual stages for works

1. **Notice of intention.** Tell each leaseholder (and any recognised residents' association) what is proposed, why, and invite written observations. They have at least 30 days to respond.
2. **Obtain estimates.** Take account of observations. Leaseholders may nominate contractors, and the rules set out how those nominations must be treated.
3. **Notice of estimates.** Send leaseholders the estimates, a summary of observations and the landlord's response, and give them time to comment: at least 30 days.
4. **Notice of reasons.** In some cases, explain why the contractor was chosen.
5. **Carry out the work.** After consultation, follow the process through and keep leaseholders updated.

Good practice

- Appoint a surveyor or project manager for larger works.
- Prepare a clear specification so the estimates can be compared.
- Keep records of every notice and when it was sent.
- Respond in writing to every observation.
- Explain the plan in plain English, as well as in the formal notices.

If you get it wrong

If the consultation is not carried out correctly, the tribunal can be asked to dispense with the requirements, but this is not guaranteed, and it can be costly. Without dispensation, recovery is capped at the figures above. The tribunal considers whether leaseholders were prejudiced.

Emergency works

Real emergencies sometimes cannot wait for consultation. Do only what is needed to make the building safe, record why, and consider asking for dispensation for the rest.

> Plan early. The consultation takes several months, so build it into the planned maintenance programme, and pay for it from reserves where you can.

Next steps

1. Cost the work per flat and check the limit.
2. Take advice on the notices.
3. Set a timetable, working back from when you want the work to start.

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