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Leasehold Consultation Policy

Introduction to the procedures

The law requires that leaseholds paying variable service charges must be consulted before the landlord carries out works above a certain value or enters into a long-term agreement for the provision of services or goods.

Detailed regulations have been produced under section 20 of the Landlord and Tenant Act 1985 which set out the precise procedures landlords must follow; these are the Service Charges (Consultation Requirements) (England) Regulations 2003 ('the 2003 service charge regulations'). These regulations separate the consultation procedures into four schedules, each covering different contracts and which are described later in this Policy.

The requirements include for example, the need for the landlord to state why they consider the works or the agreement to be necessary and for further statements setting out their response to observations received and their reasons for selection of the successful contractor. Consultation notices must be sent both to individual tenants and to any Recognised Tenants' Associations (RTAs); depending on the circumstances, both the tenants and the RTA have a right to nominate a contractor and the landlord must try to obtain an estimate from at least one such nominee.

The procedures also provide for two separate 30-day periods for tenants to make observations. Given the more involved nature of the consultation requirements landlords would be prudent to allow a minimum of two to four months for the whole process.

The format of the notices required by the regulations have not been prescribed in legislation, but suggested examples of what these may look like are contained in this policy.

The requirements are defined under three headings:

- **Qualifying works**
- **Qualifying long-term agreements**
- **Qualifying works under long-term agreements**

The principal purpose of the consultation process is to ensure that leaseholders who will be contributing towards qualifying works and long-term agreements are able to have sufficient involvement with the landlord's proposals. This includes

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the ability to nominate contractors in appropriate cases, and make observations which the landlord must have to review and respond too.

Qualifying works

These are works on a building or any other premises, that is works of repair, maintenance or improvement.

Landlords must consult if these works will cost over £250.00 for any one leaseholder. Thus, in a property with unequal service charge contributions, the landlord must consult all leaseholders if any one of them would have to pay more than £250.00.

If consultation is not undertaken, the landlord may not be able to recover service charges over £250.00 from any leaseholder.

The consultation requirements for qualifying works are contained in Schedules 3 and 4 of the 2003 service charge regulations.

When calculating the estimated cost, VAT on works must be included.

Qualifying long-term agreements

A qualifying long-term agreement is an agreement entered into by the landlord with a wholly independent organisation or contractor for a period of more than 12 months. (Agreements before 31st October 2003 are exempt.) Although it is not spelt out in the Act, it is safest to assume that this would include ongoing contracts with no specific termination date.

Landlords must consult where the amount payable by any one contributing tenant under the agreement in any accounting period exceeds £100. Thus, in a property with unequal service charges, the landlord must consult all tenants if any one tenant would have to pay more than £100 in any one year. The figure is to be calculated on the basis of the tenant's total contribution resulting from the agreement, including VAT (and any associated management or administrative costs which flow specifically from the proposed agreement).

If consultation is not undertaken, the landlord may not be able to recover more than £100 from any tenant in any accounting period towards the costs under the agreement.

The consultation requirements for qualifying long-term agreements are contained in Schedules 1 and 2 of the 2003 service charge regulations.

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Examples of potential qualifying long-term agreements include:

- agreements affecting the building generally (e.g. lifts, entry-phone systems, waste management or maintenance contracts);
- cleaning and gardening;
- insurance;
- utilities;
- partnering contracts entered into under framework agreements.

Some of these services may only have one realistically possible supplier. Nonetheless, consultation must be carried out, unless dispensation from compliance has been granted by the LVT.

Contracts that are not qualifying long-term agreements include:

- contracts of employment;
- management agreements made by a council and a tenant management organisation (TMO) or a body established under Section 2 of the Local Government Act 2000, an Arm's Length management Organisation (ALMO);
- an agreement between a holding company and its subsidiary, or between subsidiaries of the same holding company (the definitions following those in the Companies Act 2006);
- an agreement for less than five years which was entered into at a point when there were no tenants or tenants at the property (for example, on a new development);
- an agreement for more than twelve months which was entered into before 31 October 2003.

Note: where the long-term agreement includes provision for the carrying out of works to the property (for example, a schedule of rates agreement for general maintenance), and these works will result in a charge to any one tenant of more than £250, then a separate consultation must be carried out under the provisions of Schedule 3. The original consultation under Schedules 1 or 2 in respect of the agreement itself does not provide any exemption from consultation for the works.

This requirement for consultation for works equally applies in cases of long-term agreements entered into prior to 31 st October 2003 where at the time no consultation on the agreement was required.

LVT: powers of determination with regard to Section 20

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The LVT now has powers to determine Section 20 matters. This includes the power under Sec20ZA (I) to dispense with the consultation requirements in a particular case 'if satisfied that it is reasonable to dispense with the requirements'.

Examples of cases where the LVT have been known to consider granting dispensation are:

- very urgent works (on the grounds of safety etc);
- advance applications, where the landlord gives a full description of the relevant reasons;
- works for which it is difficult to obtain more than one estimate;
- long-term 'utility' contracts where prices have a very limited lifespan.

The establishment of an 'emergency' situation does not provide any automatic or deemed avoidance of the consultation requirements; the charge may not be recoverable unless the consultation has been carried out, or the LVT has granted a dispensation.

Caution must be exercised in the effecting of works or entry into long-term agreements on an emergency basis and, in all cases, careful consideration should be given to applying to a LVT for a dispensation if these circumstances arise. Clearly, the case for the landlord proceeding must be such as to be found reasonable by the LVT.

Who must be consulted?

Consultation notices must be sent both to individual tenants and to any RTAs. A RTA is an association recognised by the landlord, or by a Rent Assessment Committee, under section 29, Landlord and Tenant Act 1985.

Nomination of contractors from tenants and RTAs

Under the procedures, landlords must invite tenants to nominate possible contractors in respect of consultations that are carried out under Schedule 1 and Schedule 4 (Part 2) of the 2003 service charge regulations.

The Act does not require that contractors nominated by tenants or RTAs should be wholly unconnected with the tenant or RTA concerned, or that the landlord must be made aware of any relationship that exists. However, where such a relationship is or becomes know to the landlord they may take such factors into account when determining which contractor to use.

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Nominated contractors

- if a single nomination is made by a RTA (whether or not a nomination is also made by any tenant), the landlord must try to obtain an estimate from the nominated contractor;
- if a single nomination is made by only one tenant (whether or not a nomination is also made by a RTA), the landlord must try to obtain an estimate from the nominated contractor;
- if single nominations are made by more than one tenant (whether or not a nomination is made by a RTA), the landlord must try to obtain an estimate:
 1. from the contractor who received the most nominations; or
 2. if there is no such person but two (or more) receive the same number of nominations from one of those; or
 3. if there are a number of nominations from more than one tenant, but no contractor has more than one nomination, from any nominated contractor;
 4. if multiple nominations are made by one tenant and by a RTA, the landlord must try to obtain an estimate from at least one person nominated by the tenant and from at least one (different) person nominated by the RTA.

Contractors in the public sector

The Act does not lay down the terms within which the landlord approaches tenants' nominees when seeking to obtain estimates for works or services. Most will require certain fundamental criteria from their contractors (for example, public liability insurance, valid tax exemption certificate, confirmation of VAT status, copies of health and safety policy and confirmation of company status).

Local Authorities in particular are subject to a number of regulations when selecting contractors. When letting works contracts, contractors must be on an approved list of contractors, or qualify for placing on such a list. Landlords will have to justify their selection procedures to the LVT, if challenged. If they fail to convince the LVT in a particular case – for example, if the LVT considers the selection criteria to be too restrictive or anti-competitive – there is a risk that the consultation procedure could be adjudicated as invalid.

It is suggested that landlords make their criteria part of their requests for tenders from nominated contractors, to make clear that meeting the criteria is a necessary condition of any contract which may be awarded.

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Additionally, there may be some merit in including a brief statement on the selection criteria with the Notice of Intention to the tenants when inviting nominees; this can make clear to the tenants that any nominated contractor will need to satisfy the requirements in order to be seriously considered for the contract.

The widening of the ability to nominate contractors is intended to provide a greater openness and encourage competition in order to deliver what can be seen as fair and reasonable charges to the tenants. Therefore a degree of caution may be appropriate in the initial packaging of contracts, say for a number of estates, which might preclude nomination of smaller contractors.

Contracts requiring advertisement within the EU (Public Notice)

The 2003 service charge regulations refer to contracts ‘for which public notice is required’. This is a reference to contracts where the sum involved will be of a level where EU procurement rules apply and the proposed contract must be advertised by public notice in the Official Journal of the European Union (OJEC).

Thresholds are updated annually. At time of writing, public notice was required for works contracts over £3,927,000 Net of VAT and contracts for the supply of goods or services over £156,442 Net of VAT. These sums have been converted from euros and are subject to change.

While the opinions and views of tenants must be invited and considered, tenants do not have the right to nominate a contractor for these contracts. These contracts are covered by Schedules 2 and 4 (Part 1) of the 2003 service charge regulations.

How many notices should be served?

Landlords may have to serve consultation notices on tenants at the following three stages in the process of awarding a contract:

- the pre-tender stage - notice of intention; and
- the tender stage - notification of landlord's proposals (estimates); and
- in some cases, the award of contract stage - notification of the award of contract.

How long will the consultation take?

The whole process may take a number of months. This is for the following reasons:

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- tenants have 30 days to respond to a notice of intention served at the pre-tender stage;
- if a contractor is nominated by a tenant(s) or RTA, the contractor may need to be invited to tender;
- if contractors nominated by tenants or a RTA submit a tender, public sector landlords will need to check whether the contractor meets the necessary criteria (e.g. approved list etc);
- time spent having regard to observations from tenants;
- landlords must make a summary of the observations and responses to the notice of intention (first notice), which must be sent to tenants with the notice of landlord's proposals or statement of estimates (second notice) or made available for inspection;
- tenants have a further 30 days to respond to the notice of landlord's proposals served at the tender stage.

Some general rules about the procedures

Inspection of notices, estimates, etc

Where the landlord specifies the place and hours at which documents can be inspected, the place and hours specified must be reasonable. The facility to copy should be available free of charge - a reasonable cost can be made for any copies. If copies cannot be taken at that time copies shall be provided on request and free of charge by the landlord.

While certain facilities must be provided free of charge, it may be the case that the costs of the administration and management incurred in providing these facilities can be recovered through the service charges.

The duty to have regard

In any case where a landlord receives written observations during the consultation process they have a duty to have regard to them. There is no statutory definition of 'have regard to', although in some instances the landlord must provide a response to the observations within a period of 21 days.

In cases involving qualifying works where contractors have been nominated for estimates by the tenants or RTA and the landlord does not use either a nominated contractor or the lowest estimate is not accepted, within 21 days of entering the contract the landlord is under a duty to state in writing the reasons for awarding the contract or provide facilities where the statement of reasons can be inspected. Failure to follow the correct procedures may be a

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consideration of a LVT in any application before it in connection with the consultation procedures.

New local authority right-to-buy tenants

Where a new right-to-buy lease is granted under the Housing Act 1985 part of the way through any of the new consultation procedures, a land-lord need not start again or send any missed notices. The manager need only bring the new tenant into the next stage of the consultation process that applies 31 days after the new lease commenced. While not specified in the 2003 service charges regulations, in cases where the ownership of the flat changes hands during the procedure, by assignment of the lease, it is not unreasonable to assume that the new tenant has received copies of the previous documentation from the vendor.

Connections between landlords and contractors

Schedule 1 and part 2 of Schedule 4 require that at least one of the estimates provided must be from a contractor 'wholly unconnected' with the landlord.

The 'connection' for these purposes is as follows:

- where the landlord is a company, if the person/party is, or is to be, a director or manager of the company or is a close relative of any such director or manager;
- where the landlord is a company, and the person/party is a partner in a partnership, if any partner in that partnership is, or is to be, a director or manager of the company or is a close relative of any such director or manager;
- where both the landlord and the person/party are companies, if any director or manager of one company is, or is to be, a director or manager of the other company;
- where the person/party is a company, if the landlord is a director or manager of the company or is a close relative of any such director or manager; or
- where the person/party is a company and the landlord is a partner in a partnership, if any partner in that partnership is a director or manager of the company or is a close relative of any such director or manager

A 'close relative' for this purpose means a spouse or cohabitee, a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, sister, sister-in-law, step-parent, step-son or step-daughter of that person.

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Schedule 1 - Consultation requirements for a qualifying long-term agreement where public notice is not required

If landlords do not comply with these procedures, each tenant's contribution towards the cost of the goods or service supplied or works carried out under the contract may be limited to £100 a year.

Tenants and RTA (if there is one) must be consulted about the choice of contractor.

There are three stages of consultation.

1. Pre-tender stage

Notice of intention (Section 20 notice Appendix no. 1)
- 30-day consultation period.

This notice must be sent to each tenant that will be asked to contribute towards the costs through their service charges, and the RTA if there is one.

This notice must:

- describe in general terms the works or services to be provided, or specify a reasonable place and hours at which a description can be inspected free of charge;
- state the landlord's reasons for considering such an agreement to be necessary;
- if the contract includes qualifying works, state the landlord's reasons for considering it necessary to carry out those works;
- inform each tenant and the RTA that they have 30 days from the date of the notice in which to make written observations, specifying where they should be sent, and by what date;
- inform tenants that they have the right to nominate a contractor that they feel should be invited to tender for the work and that they have 30 days in which to make their nomination.

If facilities to provide copies of the description of the contract are not made available at the times at which the description may be inspected, then copies must be provided free to any tenant on request.

Duty to have regard to observations

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The landlord must have regard to any observations made by the due date.

Estimates

The landlord will then seek estimates from its chosen contractors but must also 'try to obtain' estimates from contractors nominated by tenants and/or a RTA. *Criteria on which contractors nominated by tenant and/or a RTA should be invited to tender are set out in the previous section relating to Nomination of Contractors from tenants and RTAs.*

2. Tender stage

Preparation of landlord's proposals:-

- the landlord shall prepare at least two proposals (estimates) as to the services, goods, works etc;
- at least one of the proposals must be from a contractor wholly unconnected with the landlord;
- furthermore, if nominations are received, the proposals must also include:
- an estimate from a contractor nominated by a tenant (if obtained);
- an estimate from a contractor nominated by a RTA (if obtained).

Notification of landlord's proposals (Section 20 notice Appendix no. 2) - 30-day consultation period.

The landlord must give notice of the proposals to each tenant and to the RTA (if there is one).

Each proposal must contain:

- a statement of the relevant matters;
- a statement of name and address of each party to the proposed agreement apart from the landlord;
- any connection (apart from the proposed agreement) between the party and the landlord;
- the tenant's estimated contribution where reasonably practicable;
- otherwise, the cost for the building or the premises, where reasonably practicable;
- otherwise, the current unit cost, hourly or daily rate, where reasonably practicable.

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- where the landlord's proposal is to appoint an agent to be responsible for the management of the property, each proposal must contain a statement indicating:
 - whether the proposed agent is or is not a member of a professional body or trade association, and, if so, which one; and
 - whether the proposed agent does or does not subscribe to any code of practice or voluntary accreditation scheme relevant to the functions of managing agents.
- the provisions for the variation of any amount under the proposed agreement;
- the intended duration of the agreement;
- a summary of any observations received by the due date and the landlord's response to those observations.

The notice must include a copy of each proposal or specify a (reasonable) place and hours where they can be inspected.

If facilities to provide copies of the proposals are not made available at the times at which the proposals may be inspected, then copies must be provided free to any tenant on request.

The notice must:

- invite the making in writing of observations on the proposals;
- specify the address to which the observations must be sent;
- state when the 30-day period for consultation ends;
- inform that all observations must be received by that date.

The Schedule provides no obligation to make all of the estimates received available for inspection, only those relating to the proposals made to the tenants. However, it would be good practice to make all estimates available for inspection if they were not one of the proposals put to tenants and some details of the criteria used for selecting the proposed contractors.

Duty to have regard to observations

The landlord must have regard to any observations made by the due date.

Award of contract

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Notification of the award of contract (Section 20 notice Appendix no. 3)

- 21-day response period

Within 21 days of entering into the agreement the landlord must send a notice to each tenant and the RTA which:

- states the reasons for awarding the contract, or giving the place and hours where those reasons may be inspected; and
- gives a summary of the observations received on the proposals and respond to them or specify a place and hours at which that summary and response may be inspected.

If facilities to provide copies of the statement, observations and landlord's response to the observations are not made available at the times at which they may be inspected, then copies must be provided free to any tenant on request.

This notice is not required where the contract has been awarded to:

- a nominated contractor; or
- the lowest tender.

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Appendix 1

Providence Row Housing Association



Providence Row Housing Association
15a Kelsey Street
London E2 6HD

Notice of intention to enter into a long-term agreement where public notice is not required

NB - A notice of the intention to enter into a long-term agreement must be sent to each tenant and RTA (if there is one).

To: *(name and correspondence address of tenant)*

and/or *(name of RTA)*

1. It is the intention of *(insert name of landlord or manager)* to enter into a long-term agreement in respect of which we are required to consult tenants (see Note 1 below).
2. The goods/services/works (delete whichever does not apply) to be provided under the agreement are as follows: *(insert a general description of the subject-matter of the agreement)*
or
3. A description of the goods/services/works (delete whichever does not apply) to be provided under the agreement may be inspected at: *(insert place and hours for inspection)* (see Note 2 below).
4. We consider it necessary to enter into the agreement because: *(insert statement of reasons; where the matters to be provided consist of or include qualifying works, state the reasons why you consider the works necessary)*.
5. We invite you to make written observations in relation to the proposed agreement by sending them to: *(address of landlord or manager)*. Observations must be received within the consultation period of 30 days from the date of this notice, and the consultation period will end on: *(insert date 30 days from the date of the notice)* (see Note 3 below).
6. We also invite you to propose, within 30 days from the date of this notice, the name of a person from whom we should try to obtain an estimate in respect of the matters described in paragraph 2 above (see Note 4 below).

Signed:

(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)').

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Address:

(Give the address to which future communications relating to the subject matter of the notice should be sent.)

Date:

Notes

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by Section 30 of the 1985 Act) must consult tenants who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under a qualifying long-term agreement, where the contribution of any one tenant exceeds £100 in any accounting period. 'Qualifying long-term agreement' is defined by Section 20ZA of the 1985 Act.
2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. a description of the relevant matters must be available for inspection, free of charge, at that place and during those hours.

If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the description.
3. The landlord has a duty to have regard to written observations made within the consultation period by any tenant or recognised tenants' association. 'Recognised tenants' association' is defined by Section 29 of the 1985 Act.
4.
 1. Where a single nomination is made by a RTA (whether or not a nomination is made by any tenant), the landlord shall try to obtain an estimate from the nominated person.
 2. Where a single nomination is made by only one tenant (whether or not a nomination is made by a RTA), the landlord shall try to obtain an estimate from the nominated person.
 3. Where a single nomination is made by more than one tenant (whether or not a nomination is made by a RTA), the landlord shall try to obtain an estimate
 - a. from the person who received the most nominations; or
 - b. if there is no such person, but two (or more) persons received the same number of nominations, being a number in excess of the nominations received by any other person, from one of those two (or more) persons; or
 - c. in any other case, from any nominated person.
 4. Where more than one nomination is made by any tenant and more than one nomination is made by a RTA, the landlord shall try to obtain an estimate
 - a. from at least one person nominated by a tenant; and
 - b. from at least one person nominated by the association, other than a person from whom an estimate is sought as mentioned in paragraph (a).

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Appendix 2

Providence Row Housing Association



Providence Row Housing Association
15a Kelsey Street
London E2 6HD

Notice of reasons for entering into a long-term agreement

NB - Subject to Note 1 below, a notice giving the reasons for entering into the long-term agreement must be sent to each tenant and RTA (if there is one).

To: *(name and correspondence address of tenant)*

and/or *(name of RTA)*

1. This notice is given following the consultation with tenants on a notice of proposals to enter into a long-term agreement issued on: *(insert date of notice of proposals)*. The consultation period in respect of the notice of proposals ended on: *(insert relevant date)*.
2. We have now entered into an agreement for provision of the goods/ services/works (delete whichever does not apply) first described in the notice of intention dated *(insert date of notice of intention)* with *(name of chosen contractor)*.
3. Our reasons for doing so are: *(state reasons)* (see Note 1 below).
or
A statement of our reasons for doing so may be inspected at: *(specify place and hours for inspection)* (see Notes 1 and 2 below).
4. We did not receive within the consultation period any written observations in relation to the notice of proposals given on: *(insert date of notice of proposals)* (see Note 3 below)
or
The written observations in relation to the proposals received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)* (see Note 3 below). or
A summary of the written observations received during the consultation period, together with our response to them, may be inspected at *(specify place and hours for inspection)* (see Notes 2 and 3 below).

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Signed:

(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)')

Address:

(Give the address to which future communications relating to the subject matter of the notice should be sent.)

Date:

Notes

1. Landlords do not need to send out this notice of reasons and summary/ responses (see Note 3 below) if:
 - a. the chosen contactor was nominated by a tenant or RTA; or
 - b. the chosen contractor was the person who submitted the lowest estimate.

2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. copies of the documents must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the documents may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the documents.

3. Where a landlord has received written observations within a consultation period in relation to a notice of proposals to enter into a long-term agreement, he is required to summarise the observations and respond to them within a notice of his reasons for making the agreement or specify the place and hours at which that summary and response may be inspected.

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Schedule 2

Consultation requirements for a qualifying long-term agreement where public notice is required

Because a public notice is required, tenants are not consulted about the choice of contractor in this case. There are two stages of consultation:

1. Pre-tender stage

Notice of intention (Section 20 notice Appendix no. 4)
- 30-day consultation period.

A notice that the landlord intends to enter into an agreement must be sent to each tenant that will be asked to contribute towards the costs through payment of service charges and the RTA (if there is one).

This notice must:

- describe the relevant matters in general terms or specify a (reasonable) place and hours where they can be inspected free of charge;
- state the landlord's reasons for considering such an agreement to be necessary;
- where the relevant matters consist of or include qualifying works, state the landlord's reasons for considering them necessary;
- state that the reason why the landlord is not inviting recipients of the notice to nominate contractors from whom he should try to obtain an estimate is that public notice is to be given;
- invite observations in writing;
- give the address to which such observations must be sent;
- give the date on which the consultation period ends (30 days) and indicate that any observations must be sent by this date.

If facilities to provide copies of the documents are not available at the place specified in the notice, then copies must be provided free to the tenant on request.

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Duty to have regard to observations

The landlord must have regard to any observations made by the due date.

2. Tender stage

Preparation of landlord's proposal

The landlord must prepare a proposal in respect of the proposed agreement

Notification of landlord's proposal (Section 20 Appendix notice no. 5) - 30-day consultation period).

1. The landlord must give notice of the proposal to each tenant and to the RTA (if there is one).
2. The proposal prepared by the landlord must contain:
 - a statement:
 - of the name and address of every party to the proposed agreement (other than the landlord);
 - of any connection between the landlord and any other party (apart from the proposed agreement).
 - the tenant's estimated contribution where reasonably practicable;
 - otherwise, the estimated cost for the building or the premises, where reasonably practicable;
 - otherwise, the current unit cost, hourly or daily rate, where reasonably practicable;
 - otherwise, the reasons the cost information cannot be provided and the date when an estimate, cost or rate will be provided. As and when the information is available, it must be provided within 21 days of its receipt;
 - where the landlord proposes to appoint an agent to be responsible for any part of the contract, each proposal must contain a statement indicating:
 - whether the proposed agent is or is not a member of a professional body or trade association and if so, which one; and
 - whether the proposed agent does or does not subscribe to any code of practice or voluntary accreditation scheme relevant to the functions of managing agents;

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- The intended duration of the proposed agreement;
- A summary of any observations received by the due date and the landlord's responses.
 3. The notice must include a copy of the proposal or specify a (reasonable) place and hours where it can be inspected.
 4. If facilities to provide copies of the documents referred to in [3] are not available at the place specified, then copies must be provided free on request.
 5. The notice must specify the address to which observations may be sent and when the 30 day period for this ends.
 6. It must state that they must be delivered by the due date.

Duty to have regard to observations

The landlord must have regard to any observations made by the due date.

Landlord's response to observations

Where observations are made, the landlord must respond directly in writing to the tenant within 21 days of receipt stating his response to the observations (NB - this must take the form of individual replies, not a general notice to all recipients of the previous notice).

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Appendix 3

Example notice of intention to enter into a long-term agreement where public notice is required

NB - Subject to Note 1 below, a notice giving the reasons for entering into the long-term agreement must be sent to each tenant and RTA (if there is one).

To: (name and correspondence address of tenant)

and/or (name of RTA)

1. It is the intention of (insert name of landlord or manager) to enter into a long-term agreement in respect of which we are required to consult tenants (see Note 1 below).
2. The goods/services/works (delete whichever does not apply) to be provided under the agreement are as follows: (insert a general description of the subject matter of the agreement) or
3. A description of the goods/services/works (delete whichever does not apply) to be provided under the agreement may be inspected at: (insert place and hours for inspection) (see Note 2 below).
4. We consider it necessary to enter into the agreement because: (insert statement of reasons; where the matters to be provided consist of or include qualifying works, state the reasons why you consider the works necessary).
5. We invite you to make written observations in relation to the proposed agreement by sending them to: (address of landlord or manager).
Observations must be received within the consultation period of 30 days from the date of this notice, and the consultation period will end on: (insert date 30 days from the date of the notice) (see Note 3 below).
6. 5. The reason why you are not invited to propose a person from whom we should try to obtain an estimate is because the proposed works require public advertisement within the European Union.

Signed:

(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)').

Address:

(Give the address to which future communications relating to the subject matter of the notice should be sent.)

Date:

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Notes

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by section 30 of the 1985 Act) must consult tenants who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under a qualifying long-term agreement, where the contribution of any one tenant exceeds £100 in any accounting period. 'Qualifying long-term agreement' is defined by section 20ZA of the 1985 Act.
2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. a description of the relevant matters must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the description.
3. The landlord has a duty to have regard to written observations made within the consultation period by any tenant or RTA. RTA is defined by section 29 of the 1985 Act.
4. There is no right of nomination of alternative contractors where public notice is required.

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Appendix 4

Example notice of proposals to enter into a long-term agreement where public notice is required

NB - Subject to Note 1 below, a notice giving the reasons for entering into the long-term agreement must be sent to each tenant and RTA (if there is one).

To: (name and correspondence address of tenant)

and/or (name of RTA)

1. This notice is given following the notice of intention to enter into a long-term agreement issued on: *(insert date of notice of intention)*. The consultation period in respect of the notice of intention ended on: *(insert relevant date)*.
2. We have now prepared a proposal in respect of the goods/services/works (delete whichever does not apply) to be provided under the agreement based on the estimates received, and a copy of the proposal accompanies this notice] or a copy of the proposal may be inspected at: *(insert place and hours for inspection)* (see Notes 1 and 2 below).
3. The Parties to the proposed agreement are: *(insert details)*.
4. We invite you to make written observations in relation to the proposals by sending them to: (address of landlord or manager). Observations must be received within the consultation period of 30 days from the date of this notice, and the consultation period will end on: *(insert date 30 days from the date of the notice)* (see Note 3 below).
5. We did not receive within the consultation period any written observations in relation to the notice of proposals given on: *(insert date of notice of proposals)* (see Note 3 below) or
6. The written observations in relation to the proposals received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)* (see Note 3 below)

Signed: ((Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager).'))

Address: ((Give the address to which future communications relating to the subject matter of the notice should be sent.))

Date:

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Notes

1. The landlord is required to present one proposal in respect of the matters described in a notice of intention. This need not relate to the lowest estimate. The landlord is required to state any connection with the contractor. The proposal must contain a statement of the intended duration of the agreement.

Each proposal should state the estimated contribution relevant to the tenant's unit of occupation. If it is not reasonably practical to provide that information the landlord may provide the overall cost estimated under the agreement or a unit cost or a daily or hourly rate.

If it is not reasonably practical for the landlord to provide any estimate of cost the proposal should contain a statement of reasons why the information cannot be provided and a date by which it is expected to be available. The landlord must then provide the estimate within 21 days of obtaining the necessary information, by notice to all recipients of the notice of proposals.

Where the agreement comprises of or includes the proposed appointment of an agent to carry out the landlord's management obligations to the tenants', each proposal shall contain a statement saying whether or not the person is a member of a professional body or trade association (including the name of the body or association), and whether they do/do not subscribe to any code of practice or voluntary accreditation scheme relevant to the functions of managing agents. Each proposal shall also contain details of the provisions (if any) to vary the amount specified in, or to be determined under, the proposed agreement as well as the duration of the agreement.

2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. (b) copies of the proposals must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the proposals may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the proposals.
3. The landlord has a duty to have regard to written observations made within the consultation period by any tenant or RTA and must reply in writing to each individual respondent within 21 days stating his response to the observations.

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Schedule 3

Consultation requirements for qualifying works under a qualifying long-term agreement

Tenants are not invited to nominate a contractor. There is one stage of consultation.

If qualifying works are undertaken under a qualifying long-term agreement, then competitive tendering is not required in that the contractor is already in place.

- **Pre-tender consultation stage**

Notice of intention - 30-day consultation period (Section 20 Appendix no 6)

A notice that the landlord intends to carry out works must be sent to each tenant and the RTA (if there is one).

This notice must:

- describe, in general terms, the works proposed to be carried out, or specify a (reasonable) place and hours at which a description of the works may be inspected;
- give the reasons why it is considered necessary to carry out the proposed works;
- contain a statement of the total amount of the expenditure estimated by the landlord as likely to be incurred by him on the proposed works;
- invite observations in writing on the proposed works or the estimated expenditure;
- give the address to which such observations must be sent;
- state that they must be delivered by the due date;
- give the date on which the consultation period ends (30 days);
- if facilities to provide copies of the documents referred to in the notice are not available at the place specified there, then copies must be provided to the tenant free on request.

Duty to have regard to observations

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The landlord must have regard to any observations made by the due date.

Landlord's response to observations

Where observations are made, the landlord must respond directly in writing to the tenant within 21 days of receipt stating his response to the observations (NB - this must take the form of individual replies, not a general notice to all recipients of the previous notice).

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Appendix 5

Example notice of intention to carry out works under a long-term agreement

NB - A notice of the intention must be sent to each tenant and RTA (if there is one).

To: (name and correspondence address of tenant)

and/or (name of RTA)

1. It is the intention of (insert name of landlord or manager) to carry out works under an existing long-term agreement previously consulted upon [or an agreement entered into before 31st October 2003] with (insert name of contractor) in respect of which we are required to consult tenants (see Note 1 below).
2. The works to be carried out under the agreement are as follows: (insert a description of the proposed works)
or
A description of the works to be carried out under the agreement may be inspected at: (insert place and hours for inspection) (see Note 2 below).
3. We consider it necessary to carry out the works because: (insert statement of reasons).
4. We estimate the total amount of the expenditure likely to be incurred on and in connection with the proposed works as: (insert estimated figure).
5. We invite you to make written observations in relation to the proposed works or estimated expenditure by sending them to: (address of landlord or manager). Observations must be received within the consultation period of 30 days from the date of this notice. The consultation period will end on: (insert date 30 days from the date of the notice) (see Note 3 below).

Signed:

(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)').

Address:

(Give the address to which future communications relating to the subject matter of the notice should be sent.)

Date:

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1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by section 30 of the 1985 Act) must consult tenants who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under qualifying works, where the contribution of any one tenant will exceed £250. 'Qualifying works' are defined by section 20ZA of the 1985 Act.
2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. a description of the proposed works must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the description.
3. The landlord has a duty to have regard to written observations made within the consultation period by any tenant or RTA (as defined by section 29 of the 1985 Act). The landlord is also required to state his response in writing to the person making written observations within the consultation period, within 21 days of receiving them.

Schedule 4 (Part 1)

**Consultation requirements for qualifying works where public notice is required
Tenants are not invited to nominate a contractor. There are two stages of consultation:**

1. Pre-tender consultation

**Notice of Intention (Section 20 notice Appendix no. 7)
- 30-day consultation period.**

A notice that the landlord intends to carry out works must be sent to each tenant and the RTA (if there is one).

This notice must:

- o describe, in general terms, the works proposed to be carried out, or specify the (reasonable) place and hours at which a description of the works may be inspected;
- o give the landlord's reasons for carrying out the proposed works;
- o state that the reason the landlord is not inviting nominations in respect of alternative contractors is because public notice is to be given;

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- invite observations in writing;
- give the address to which such observations must be sent;
- give the date on which the consultation period ends (30 days);
- state that they must be delivered by the due date;

If facilities to provide copies of the documents referred to in the notice are not available at the place specified then copies must be provided free on request.

Duty to have regard to observations

The landlord must have regard to any observations received by the due date.

2. Tender-stage consultation

Preparation of the landlord's contract statement

The landlord shall prepare a statement in respect of the proposed contract under which the proposed works are to be carried out.

Notification of the proposed contract (Section 20 Appendix no. 8) - 30-day consultation period

1. The landlord must give notice of the proposed contract to each tenant and to the RTA (if there is one).
2. The contract statement prepared by the landlord must contain:
 - the name and address of the proposed contractor;
 - particulars of any connection between the landlord and the proposed contractor (apart from the proposed agreement);
 - The tenant's estimated contribution where reasonably practicable;
 - otherwise, the estimated cost for the building or the premises, where reasonably practicable;
 - otherwise, the current unit cost, hourly or daily rate, where reasonably practicable;
 - otherwise, the reasons the cost information cannot be provided and the date when an estimate, cost or rate will be provided. As and when the information is available, it must be provided within 21 days of its receipt.
 - A summary of any observations received on the notice of intention by the due date and the landlord's responses.

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3. The notice must comprise or be accompanied by the contract statement or specify the (reasonable) place and hours where it can be inspected.
4. The notice must specify the address to which observations may be sent and when the 30-day period for this ends.
5. It must state that they must be delivered by the due date.
6. If facilities to provide copies of the documents referred to in [3] are not available at the place specified then copies must be provided to any tenant free on request.

Duty to have regard to observations

The landlord must have regard to any observations made by the due date.

Landlord's response to observations

Where observations are made, the landlord must respond directly in writing to the tenant within 21 days of receipt stating his response to the observations (NB - this must take the form of individual replies, not a general notice to all recipients of the previous notice).

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Appendix 6

Example notice of intention to carry out works where public notice is required

NB - A notice of intention must be sent to each tenant and the RTA (if there is one).

To: *(name and correspondence address of tenant)*

and/or *(name of RTA)*

1. It is the intention of *(insert name of landlord or manager)* to enter into an agreement to carry out works in respect of which we are required to consult tenants *(see Note 1 below)*.
2. The works to be carried out are as follows: *(insert general description of the works)*
or
A description of the works to be carried out under the agreement may be inspected at: *(insert place and hours for inspection)* *(see Note 2 below)*.
3. We consider it necessary to carry out the works because: *(insert statement of reasons)*.
4. We invite you to make written observations in relation to the proposed works by sending them to: *(address of landlord or manager)*. Observations must be received within the consultation period of 30 days from the date of this notice. The consultation period will end on: *(insert date 30 days from the date of the notice)* *(see Note 3 below)*.
5. The reason why you are not invited to propose a person from whom we should try to obtain an estimate is because the proposed works require public advertisement within the European Union.

Signed:

(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)

Address:

(Give the address to which future communications relating to the subject matter of the notice should be sent.)

Date:

Notes

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by section 30 of the 1985 Act) must consult tenants who are required under the terms of their leases to

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contribute (by payment of service charges) to costs incurred under qualifying works, where the contribution of any one ten-ant will exceed £250. 'Qualifying works' are defined by section 20ZA of the 1985 Act.

2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. a description of the proposed works must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the description.
3. The landlord has a duty to have regard to written observations made within the consultation period by any tenant or RTA (as defined by section 29 of the 1985 Act).

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Appendix 7

Example contract statement in relation to works where public notice is required

NB - A contract statement must be sent to each tenant and RTA (if there is one).

To: (name and correspondence address of tenant)

and/or (name of RTA)

1. This notice is given following the notice of intention to carry out works issued on: *(insert date of notice of intention)*. The consultation period in respect of the notice of intention ended on: *(insert relevant date)*.
2. We have now prepared a proposal in respect of the works based on the estimates received, and a copy of the proposal accompanies this notice] or a copy of the proposal may be inspected at: . The name and address of the proposed contractor are: *(insert details)*.
3. *(Statement of estimated costs - see Note 2 below)*
4. We invite you to make written observations in relation to the proposals by sending them to: *(address of landlord or manager)*. Observations must be received within the consultation period of 30 days from the date of this notice, and the consultation period will end on: *(insert date 30 days from the date of the notice)* (See Note 3 below).
5. The written observations in relation to the proposals received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)*

Signed:

(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)

Address:

(Give the address to which future communications relating to the subject matter of the notice should be sent.)

Date:

Notes

1. The landlord is required to present one proposal in respect of the matters described in a notice of intention. These need not relate to the lowest estimate. The landlord is required to state any connection with the proposed contractor.
2. The proposal should state the estimated contribution relevant to the tenant's unit of occupation. If it is not reasonably practicable to provide

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that information the landlord may provide an estimate of the total expenditure under the proposed agreement or a unit cost or a daily or hourly rate.

If it is not reasonably practicable for the landlord to provide any estimate of cost the notice should provide a statement of reasons why the information cannot be provided and a date by which it is expected to be available. The landlord must then provide the estimate within 21 days of obtaining the necessary information, by notice to all recipients of the contract statement.

3. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. (b) copies of the proposals must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the proposals may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the proposals.
 - c. The landlord has a duty to have regard to written observations made within the consultation period by any tenant or RTA and must reply in writing to each individual respondent within 21 days stating his response to the observations.

Schedule 4 (Part 2)

Consultation requirements for qualifying works where public notice is not required

Tenants and the RTA (if one exists) must be invited to nominate a contractor. There are three stages of consultation.

1. Pre-tender stage

Notice of intention (Section 20 Appendix no. 9)

- 30-day consultation period

A notice that the landlord intends to carry out works must be sent to each tenant and the RTA (if there is one).

This notice must:

- o describe, in general terms, the works proposed to be carried out, or specify a (reasonable) place and hours at which a description of the works may be inspected;
- o give the landlord's reasons why it is necessary to carry out the proposed works;

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- invite observations in writing;
- give the address to which such observations must be sent;
- state that they must be delivered by the due date;
- give the date on which the consultation period ends (30 days);
- inform tenants and RTA (if there is one) that they have the right to nominate a contractor from whom the landlord should try to obtain an estimate.

If facilities to provide copies of the documents referred to in the notice are not available at the place specified then copies must be provided to any tenant free on request.

Duty to have regard to observations

The landlord must have regard to any observations received by the due date.

Estimates

The landlord will then seek estimates from its chosen contractors but must also try to obtain estimates from contractors nominated by tenants and RTAs.

Criteria on which contractors nominated by tenant and/or a RTA should be invited to tender are set out in the previous section relating to 'Nomination of Contractors from tenants and RTAs'.

2. Tender-stage consultation

Preparation of landlord's estimates

- the landlord shall obtain at least two estimates for the carrying out of the proposed works;
- at least one of the estimates must be from a contractor wholly unconnected with the landlord;
- the landlord must make all of the estimates available for inspection.

Notification of the estimates (Section 20 Appendix no. 10) - 30-day consultation period

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4. The notice must be sent free of charge to each tenant and the RTA (if there is one).
5. It must include a statement (the 'paragraph b statement') containing:
 - i. for at least two of the estimates, the amount specified in the estimate as the estimated cost of the proposed works (*note, this does not need to be a copy of the estimate, simply a statement of the amount*); and
 - at least one of these estimates must be from a contractor wholly unconnected to the landlord;
 - and where one of the estimates has been obtained from a nominated contractor, then one of these estimates must be from a nominated contractor;
 - ii. where tenants have made observations by the due date, the landlord must provide a summary of them and his responses to them.
6. The notice must:
 - i. specify a (reasonable) place and hours at which all the estimates may be inspected (*note, this is an obligation to make all of the estimates received available for inspection, not just the estimates on which the landlord's statement is based*);
 - ii. invite observations in writing regarding the estimates;
 - iii. give the address and the date by which observations must be sent;
 - iv. state that they must be delivered by the due date;
 - v. if facilities to provide copies of the estimates are not available at the place specified there, then copies must be provided to any tenant free on request.

Duty to have regard to observations

The landlord must have regard to any observations received by the due date.

Award of contract

Notification of the award of contract (Section 20 Appendix no. 11)
- 21-day response period.

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Within 21 days the landlord must send a notice to each tenant and the RTA, which:

- states the reasons for awarding the contract, or giving the place and hours where those reasons may be inspected; and
- gives a summary of tenants' observations on the estimates and the responses to them, or reasonable place and hours where they may be inspected.

This notice is not required where the contract has been awarded to:

- a nominated contractor; or
- the lowest tender.

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Appendix 8

Example notice of intention to carry out works

NB - A notice of intention must be sent to each tenant and RTA (if there is one).

To: (name and correspondence address of tenant)

and: (name of RTA)

1. It is the intention of (insert name of landlord or manager) to enter into an agreement to carry out works in respect of which we are required to consult tenants (see Note 1 below).
2. The works to be carried out are as follows: (insert a general description of the subject matter of the agreement)
or
3. A description of the works to be carried out may be inspected at: (insert place and hours for inspection) (see Note 2 below).
4. We consider it necessary to carry out the works because: (insert statement of reasons).
5. We invite you to make written observations in relation to the proposed works by sending them to: (address of landlord or manager). Observations must be received within the consultation period of 30 days from the date of this notice. The consultation period will end on (insert date 30 days from the date of the notice) (see Note 3 below).
6. We also invite you to propose, within 30 days from the date of this notice, the name of a person from whom we should try to obtain an estimate for the carrying out of the proposed works described in paragraph 2 above (see Note 4 below).

Signed:

(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)').

Address:

(Give the address to which future communications relating to the subject matter of the notice should be sent.)

Date:

Notes

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by section 30 of the 1985 Act) must consult tenants who are required under the terms of their leases to

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contribute (by payment of service charges) to costs incurred under qualifying works, where the contribution of any one tenant will exceed £250. 'Qualifying works' are defined by section 20ZA of the 1985 Act.

2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. a description of the proposed works must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the description.
3. The landlord has a duty to have regard to written observations made within the consultation period by any tenant or RTA (as defined by section 29 of the 1985 Act).
4.
 1. Where a single nomination is made by a RTA (whether or not a nomination is made by any tenant, the landlord shall try to obtain an estimate from the nominated person.
 2. Where a single nomination is made by only one tenant (whether or not a nomination is made by a RTA), the landlord shall try to obtain an estimate from the nominated person.
 3. Where a single nomination is made by more than one tenant (whether or not a nomination is made by a RTA), the landlord shall try to obtain an estimate
 - a. from the person who received the most nominations; or
 - b. if there is no such person, but two (or more) persons received the same number of nominations, being a number in excess of the nominations received by any other person, from one of those two (or more) persons; or
 - c. in any other case, from any nominated person.
 4. Where more than one nomination is made by any tenant and more than one nomination is made by a RTA, the landlord shall try to obtain an estimate
 - a. from at least one person nominated by a tenant; and
 - b. from at least one person nominated by the RTA, other than a person from whom an estimate is sought as mentioned in paragraph (a).

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Appendix 9

Example statement of estimates in relation to proposed works

NB - A statement must be sent to each tenant and RTA (if there is one).

To: (name and correspondence address of tenant)

and/or (name of RTA)

1. This notice is given pursuant to the notice of intention to carry out works issued on: *(insert date of notice of intention)*. The consultation period in respect of the notice of intention ended on: *(insert relevant date)*.
2. We have now obtained estimates in respect of the works to be carried out. We have selected *(insert number, at least two)* estimates from which to make the final choice of contractor (see Note 1 below). The amounts specified in the estimates for the proposed works are: *(insert details)*.
3. All of the estimates obtained may be inspected at: *(insert place and hours for inspection)* (see Note 2 below).
4. We invite you to make written observations in relation to any of the estimates by sending them to: *(address of landlord or manager)*.
Observations must be received within the consultation period of 30 days from the date of this notice. The consultation period will end on: *(insert date 30 days from the date of the notice)* (see Note 3 below).
5. We did not receive within the consultation period any written observations in relation to the notice of intention given on: *(insert date of notice of proposals)* (see Note 4 below)
or
The written observations in relation to the notice of intention received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)* (see Note 4 below)

Signed:

(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)

Address:

(Give the address to which future communications relating to the subject matter of the notice should be sent.)

Date:

Notes

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1. The landlord is required to select at least two estimates in respect of the matters described in a notice of intention. At least one of the estimates must be from a person wholly unconnected with the landlord. Where an estimate has been obtained from a nominated person, that estimate must be among those set out in the statement of estimates.
2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. copies of the estimates must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the estimates may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the estimates.
3. The landlord has a duty to have regard to written observations made within the consultation period by any tenant or RTA (as defined by section 29 of the 1985 Act).
4. Where a landlord has received written observations within a consultation period in relation to a notice of intention to carry out works, he is required to summarise the observations and respond to them in this statement of estimates.

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Appendix 10

Example notice of reason for awarding a contract to carry out works

NB - A notice must be sent to each tenant and RTA (if there is one).

To: (name and correspondence address of tenant)

and/or (name of RTA)

1. This notice is given pursuant to the statement of estimates issued on: *(insert date of notice of proposals)*. The consultation period in respect of the notice of proposals ended on: *(insert relevant date)*.
2. We have now entered into a contract for the carrying out of the works first described in the notice of intention dated: *(insert date of notice of intention)* with *(name of chosen contractor)*.
3. Our reasons for doing so are: *(state reasons)* (see Note 1 below)
or
A statement of our reasons for doing so may be inspected at: *(specify place and hours for inspection)* (see Notes 1 and 2 below).
4. We did not receive within the consultation period any written observations in relation to the statement of estimates given on: *(insert date of statement of estimates)* (see Note 3 below)
or
The written observations in relation to the estimates received during the consultation period may be summarised as follows: *(insert summary of observations)*. Our response to the observations is: *(state response)* (see Note 3 below)

Signed:

(Signature of person giving the notice. Where an agent signs, insert also: 'duly authorised agent of (name of landlord or manager)'.)

Address:

(Give the address to which future communications relating to the subject matter of the notice should be sent.)

Date:

Notes

1. The landlord does not have to send out this notice if:
 - a. the chosen contractor was nominated by a tenant or RTA, or

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- b. the chosen contractor was the person who submitted the lowest estimate.
2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. copies of the documents must be available for inspection, free of charge, at that place and during those hours. If facilities to enable copies to be taken are not made available at the times at which the documents may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the documents.
3. Where a landlord has received written observations within a consultation period in relation to a statement of estimates in relation to proposed works, he is required to summarise the observations and respond to them within a notice of his reasons for awarding a contract.

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