Leaseholder Consultation on Major Works and Long Term Contracts

General Information

Major Works are qualifying large-scale repairs and improvements that the Council carries out to its housing stock. Examples include replacing windows or roofing works.

Qualifying Works are works to the structure and exterior of the flat and the building and to any other premise that your lease grants you the right to use. For example, the common areas of the building and estate.

You will be consulted before any qualifying major works take place.

As a leaseholder, you are required to contribute to the cost of any major works that the Council carries out on your block or estate.

What does Major Works cover?

The Council will carry out any necessary repairs to your block and estate.

Examples of major works that may be carried out to your block include:

- Roofing
- Internal communal refuse bin areas
- Rainwater gutters and pipes
- Communal (shared) boilers
- Decoration of external and internal communal parts
- Window Renewals
- External Walls
- Communal doors and entry phones
- Lifts
- Communal Water Tanks

Estate: This is the building, out buildings, grounds, gardens, neighbouring buildings and land that are managed as one unit.

Examples of major works that may be carried out to your estate include:

- Landscaping
- External communal refuse bin areas
- Gardens (excluding private gardens)
- Boundary fences and gates
- Play areas
- Washing areas
What isn't covered?

Major Works do not cover any work to the inside of your home. As a leaseholder, you are responsible for maintaining the inside of your property yourself. For example:

- Front entrance doors to individual flats
- Bathroom utilities
- Individual heating system (boiler) Glazing to your property
- Pipes, cisterns and individual water tanks
- Internal decoration
- Kitchen cupboards and equipment

What is Leaseholder Consultation?

The Council is required to consult its leaseholders before any qualifying works are carried out, if the works are going to cost each leaseholder more than £250.

As a leaseholder, you will also be consulted on any qualifying long-term works or agreement that is entered into, that will last longer than 12 months and cost you more than £100 per year.

Regulations (Common Hold & Leasehold Reform Act 2002)

There are regulations that govern the manner in which landlords consult with their leaseholders. These require consultation to be carried out where:

1) A leaseholder has to pay more than £100 in any one year within their service charges for costs incurred under a long term contract e.g. a partnership between the council and a maintenance contractor to carry out repairs, void and planned works. In general, a long term contract, is one which runs for more than one year, but there are some contracts which are exempt; or
2) A leaseholder has to contribute more than £250 towards the cost of major works as previously described.

Where landlords fail to carry out the correct consultation, the amount that can be recovered from leaseholders is limited to £100 and £250 respectively.

The regulations require the Council to invite leaseholders to give their observations in writing within a specified period. Where written observations are received within this period, the Council, as landlord, must have regard to the observations made.
Long Term Agreement or Contracts

When is Consultation needed?

The Council must consult with its leaseholders where it enters into an agreement which will last for longer than one year and which results in any leaseholder being charged more than £100 towards the costs incurred under that agreement, in any one financial year.

The Council is likely to enter into agreements in respect of:
- maintenance works (repairs and improvements); and/or
- the supply of goods; and/or
- the provision of services

Some examples of the types of agreements for which consultation may be carried out in the future are:
- grounds maintenance
- lift maintenance
- external decorations

How will Consultation be carried out?

All leaseholders whose service charges include a contribution towards the costs incurred by the agreement will receive:

Step 1

An official ‘Notice of Intention’ informing them of the Council’s intention to enter into the agreement. The notice will:
- Give a general description of the works and/or services involved or give the address and times where the description can be inspected
- Invite leaseholders to submit written observations on the proposal, and give the date by which the observation must be made (the consultation period must not end less than 30 days after the notice is served)
- Invite leaseholders to nominate a contractor or person from whom an estimate should be sought, and give the date by which the nomination must be made (not less than 30 days after the notice has been served)
- State the reason for entering into a long term agreement
- If the agreement is to carry out works, state the reason for carrying out the works
Step 2

The Council will invite one contractor nominated by leaseholders and, where a recognised Tenants & Residents Association exists, a contractor nominated by the association, to tender for the agreement. Other contractors will also be invited to tender, and will usually be from the Council's Approved List.

Step 3

Once the tenders have been returned, the Council will prepare at least two proposals for the agreement. One proposal must be from a person unconnected with the Council. Where an estimate has been received from a contractor who has been nominated by a leaseholder or recognised Tenant & Residents Association, the Council will also prepare a proposal based on that estimate. The proposal will:

- Where possible, contain an estimate of the cost to each leaseholder. Where it is not possible to provide this estimate, the proposal will provide the total expenditure under the agreement and any relevant breakdown of the cost.
- Contain any provisions for variations of the amount in the contract.
- Provide a summary of the written observations made during the consultation period specified in the Notice of Intention and the Council’s responses to them.

Step 4

The Council will give notice to each leaseholder. The notice will:

- Either be accompanied by a copy of each proposal or give the place and times when the proposals can be inspected;
- Invite written observations on the proposals;
- Give the address to which the observations must be sent and the date by which they must be given. The date specified must not be less than 30 days after the date that the notice is given.

Step 5

Within 21 days of entering into the agreement the Council will give, in writing, its reasons for entering into the agreement and a summary of any observations that were made. However, the Council does not need to do this if the agreement entered into was the lowest estimate received; or was made with a person that was nominated by a leaseholder or Recognised Tenant & Residents Association.
Long term agreements that include works

Where a long term agreement included works that would cost any individual leaseholder more than £250, further consultation is required.

A second Notice is sent to each leaseholder. The Notice is sent shortly before the works are to be carried out. It will:

- Give a general description of the work to be carried out or specify the place and hours where a description of the works can be inspected
- State the Councils estimate of the expenditure that is likely to be incurred in carrying out the works
- Invite the leaseholder to give their written observations on the works
- Give the address to which observations must be given
- Give the date by which written observations must be given, which must not be less than 30 days after the notice is served

Major Works (Qualifying Works)

When is Consultation Needed?

The Council must consult with its leaseholders before it carries out works which would result in a charge of more than £250 to individual leaseholders. Consultation will be as shown below, except where works are carried out under a long-term agreement (see above section).

Major Works Consultation

All leaseholders whose service charges will include a contribution towards the costs of the works will receive:

Step 1

An official ‘Notice of Intention’ informing them of the Councils intention to carry out the works. The notice will:

- Give a general description of the works and/or give the address and times where the description can be inspected
- Invite leaseholders to submit written observations on the proposal, and give the date by which the observation must be made (the consultation period must not end less than 30 days after the notice is served)
- Invite leaseholders to nominate a contractor or person from whom an estimate should be sought, and give the date by which the nomination must be made (not less than 30 days after the notice has been served)
- State the reason for carrying out the works
Step 2

The Council will invite one contractor nominated by leaseholders and, where a recognised Tenants & Residents Association exists, a contractor nominated by the association, to tender for the work. Other contractors will also be invited to tender, and will usually be from the Council's Approved List. (A list of questions and answers is included at the end of this section giving you further information on nominating a contractor).

Step 3

Once the tenders have been returned, the Council must provide each leaseholder, and the Secretary of any recognised Tenants & Residents Association, with a statement. The statement will:

- State the amount specified in at least two estimates for the works
- Where an estimate has been received from a contractor nominated by a leaseholder or recognised Tenant & Residents Association, the Council will include this estimate
- Provide a summary of the written observations made during the initial consultation period specified in the Notice of Intention, and the Council’s responses to them.

In addition, the Council will make all of the estimates available for inspection, and give notice of the place and times when the information can be inspected.

The statement will invite leaseholders to make further observations in writing and will give the address to which these must be made, and the date by which they must be received. The date by which written observations must be received will not be less than 30 days after the notice is served.

Step 4

Within 21 days of entering into the contract to carry out the works, the Council will give, in writing, its reasons for entering into the contract and a summary of any observations that were made. However, the Council does not need to do this if the contract entered into was the lowest estimate received; or was made with a person that was nominated by a leaseholder or Recognised Tenant & Residents Association.

The above regulations do not apply to any leaseholder who completed the purchase of their property under the Right to Buy Regulations less than 30 days before the notices are sent out. This may mean that some leaseholders would not receive all of the Notices issued. However, every effort will be made to include all leaseholders at all stages.

Leaseholders right to nominate a contractor

General Information

- The council holds an Approved List of contractors. This is made up of contractors who have provided all relevant information concerning their organisation and show that they have met the Council’s criteria to be an ‘approved’ contractor.
A ‘tender’ is the bid (or quote) that an organisation or individual makes to try to gain a contract. It will include the price that will be charged for carrying out the works; and other information such as method statements.

Questions and Answers

Q. Is this the only opportunity that I will have to nominate a contractor?
A. Yes. If you want to nominate a contractor for the proposed works you must do this by the date specified in the 1st stage Notice.

Q. Do I have to nominate a contractor?
A. No, although you have the right to nominate a contractor you do not have to do so.

Q. Will the works still take place if no contractors are nominated by leaseholders?
A. Yes, they will. The Council will, in any event, be inviting contractors from its Approved List to tender for the work.

Q. What will happen if a number of leaseholders nominate different contractors?
A. Only one nominated contractor will be invited to tender. The Council will try to invite the contractor receiving the most nominations from leaseholders, to tender alongside the contractors from the Council’s Approved List. Where no one contractor received the most nominations, the Council, as landlord, will decide which of the leaseholder nominations to invite. The decision will be based on the nomination which, in its opinion, the Council considers most suitable for the works involved.

Q. Will the contractors on the Council’s Approved List be treated in a different way to a contractor nominated by a leaseholder?
A. No, contractors on the Approved List have already provided the Council with specific information, and the nominated contractor will simply be asked to provide the same information prior to being invited to tender. All the contractors will have to base their tender for the work against the same specification. The tender returns from all the contractors will then be assessed against the same Tender Evaluation Model.

Q. Will I be given any more information before the works are carried out?
A. Yes, this is only the 1st stage of consultation. Once the tenders are returned and evaluated you will be sent a further (2nd Stage) Notice giving you a statement of the estimates for the work, from at least two of the contractors who have returned tenders. If the contractor nominated by a leaseholder returns a tender, their estimate will be included in the 2nd Stage Notice. You will be invited to give your observations in writing on the estimate and be informed of the date by which these must be made.