

Section 20 Policy

Aster Group is the overarching brand name of Aster Group Ltd and all of its subsidiaries.

1 Scope

- 1.1 The aims of the policy are to make sure that:
 - All parties comply with the terms of each individual lease or tenancy agreement.
 - All parties comply with legal and regulatory requirements about consultation.
 - We recover all our appropriate costs for the provision of maintenance and services.
- 1.2 The law requires us to consult with all residential leaseholders (including those who sublet their leasehold properties), shared owners, and tenants who pay service charges for communal assets, as well as a recognised Tenants Association before we carry out works above a certain value or enter into a long-term agreement for the provision of services. This is referred to as a Section 20 (S20) Consultation and is part of the Landlord & Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002.
- 1.3 This policy links to the Aster strategic themes and enablers of providing safe, well-maintained homes, modern reliable customer services and financial strength and sustainability.
- 1.4 We anticipate a reduction in unrecoverable costs as an outcome of this policy.
- 1.5 This policy ensures that we comply with Public Contract Regulations 2015 and the use of the Find a Tender Service for high value contracts.

2 Policy Statement

- 2.1 We will adhere to statutory consultation guidelines as set out in Section 20 of the Landlord and Tenant Act 1985 (as amended by the Commonhold and Leasehold Reform Act 2002) when we plan to carry out maintenance or replacement to our property, enter into a long-term agreement for the provision of maintenance or a service, or undertake works under a qualifying long-term agreement.
- 2.2 We will consult with affected customers:
 - 2.2.1 With any piece of work that may cost any one service charged property more than £250.
 - 2.2.2 Where we enter into a contract for services which will cost any one service charged property more than £100 per year and where the term of the contract is more than 12 months.
- 2.3 We have dedicated procedures in place to administer Section 20 consultations.
- 2.4 We will give our leasehold customers/tenants the opportunity to comment, make observations and, where legislation specifies, nominate contractors of their choosing.
- 2.5 We will have due regard for observations received and respond to them when received inside the 35-day observation period.

- 2.6 We will try to obtain estimates from nominated contractors subject to them meeting procurement requirements.
- 2.7 If the value for work contract is over £5,336,937 and £213,477 for service or goods contracts, inclusive of VAT they must be advertised in Find a Tender Service (FTS). This means that the tender process is significantly larger, and as such we are not able to consider contractors that are suggested as part of a section 20 consultation. These are the consultations under Schedule 2 and Schedule 4 Part 1 of the Service Charges (Consultation Requirements) (England) Regulations 2003.
- 2.8 Observations and outcomes will be uploaded to <https://www.aster.co.uk/existing-customers/get-involved/consultations> following this process.
- 2.9 Should there be a delay longer than three months between stage 1 and stage 2 of the procurement process, we will write to affected customers to keep them informed of progress.
- 2.10 Prior to commencing any works, we will ensure we can demonstrate that;
- 2.10.1 The works are the responsibility of the landlord.
 - 2.10.2 The proposed works are required.
 - 2.10.3 The customer is obliged to pay for the works under the lease/tenancy agreement.
 - 2.10.4 The cost (or expected cost) is reasonable.
 - 2.10.5 The service charge to recover the cost is payable by the lessee/customer even if being met from sinking fund.

If there is any doubt a pre-determination application to the First Tier Tribunal (FTT) will be made under either S19 or S27a (or both) in advance of the works being carried out.

- 2.11 All S20 consultations will be subject to a 'reasonableness test' in line with Section 19 of the Landlord and Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002. There are 3 tests:
- 2.11.1 The work/service must be required.
 - 2.11.2 The standard of work must be reasonable.
 - 2.11.3 The cost must be reasonable.

Section 27a of the Landlord and Tenant Act 1985 determines whether a service charge is payable by the customer or landlord.

- 2.12 A S20 Business Case will be completed for each consultation. These should include measured quantities, and a specification of works required.
- 2.13 We will undertake works and make an application to the FTT for dispensation from the consultation procedure when an emergency repair is necessary, and delay would be to the detriment of customers or property.
- 2.14 The Regional Director is responsible for monitoring the service and ensuring it complies with the requirements of this policy.

- 2.15 The Service Charge Manager is responsible for ensuring that this policy is implemented.
- 2.16 All employees who are involved in authorising planned works or major repairs, procuring services, or providing advice and assistance to customers are responsible for ensuring they comply with the requirements of this policy.
- 2.17 If any customer is unhappy about anything related to the policy, or how they have been treated in accordance with the policy, they may complain in line with our Complaints.

3 Monitoring and Review

- 3.1 A range of performance data will be monitored by Head of Service and reported to the Customer Service Leadership Team, including:
- Recoverable & unrecoverable costs – reported annually.
 - Capped costs because of incorrect consultation.
 - Works that were budgeted for vs delivery.
- 3.2 The effectiveness of this policy will be continuously monitored, and the embedding of the policy scrutinised after 12 months by the *Customer Services Operational Leadership Team*
- 3.3 This policy will be reviewed every 3 years unless business need, regulation or legislation prompts an early review.

4 Related Policies and Procedures

- 4.1 Appendix A - S20 Consultation Request & Business Case Form
- 4.2 Section 20 Procedure
- 4.3 Leasehold and Freehold Management Policy
- 4.4 S20 Statutory Instrument: <https://www.legislation.gov.uk/ukpga/1985/70/section/20>

5 Governance			
Effective From:	19/03/2025	Expires:	19/03/2028
Policy Owner:	Regional Operations Director - S20 Portfolio Lead		
Policy Author:	Policy and Assurance Manager		
Approved by:	<i>Customer Services Operational Leadership Team</i>		
Scheme of Delegation Reference:	R073	Version Number:	5.00

Aster Group is our overarching company brand and comprises the following companies and charitable entities. Aster Group Limited, Aster Communities, Aster Treasury plc, Synergy Housing Limited, East Boro Housing Trust Limited, Central and Cecil Housing Trust, Enham Trust, 55 London, Aster Foundation, Aster Living, Aster 3 Limited, Aster Homes Limited, Aster LD Limited, Aster Property Limited, Aster Solar Limited, Silbury Housing Holdings Limited, Silbury Housing Limited, Central & Cecil Innovations Limited, and Central & Cecil Construction Services Limited.

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Appendix A

S20 Consultation Request & Business Case

Complete this form if you are proposing to carry out works that will be service chargeable or procure a contract for more than 12 months that will be service chargeable. Please complete the questions below as fully as you can and submit the form to section20@aster.co.uk. You will then be contacted by the S20 officer to go through it in more detail. This form should be completed before starting any Section 20 consultations.

SECTION A TO BE COMPLETED BY REQUESTOR

Requested by: (PI, AM&M Planned, AM&M Response, Housing, Contract manager etc)	
Details of the works/contract (Property addresses/regions, details of the type of work or service)	
Planned year of works/renewal (if applicable)	
Why is the work necessary now? (This should include a review of at least one other option that has been considered.)	
Are these emergency works, is dispensation application required/already made? ALL DISPENSATION APPLICATIONS REQUIRE	

APPROVAL OF HEAD OF SERVICE	
Project Lead(named) (Contract manager, surveyor, housing officer, etc.)	
Who will be on the project team Project management office, comms, procurement etc. (Named individuals if known)	
When is it expected that contract should be awarded (Date)	
When is it expected that works will start/finish (Dates)	

SECTION B (TO BE COMPLETED BY S20 OFFICER)	
State which schedule is being followed and which notices will be sent	
If work being done under an existing QLTA: when was the original consultation carried out? Was the correct procedure followed?	
Which part of the lease permits these works? Is pre-determination required?	
Are the works likely to be considered an improvement? If so, does the lease allow for this?	
How will this work be charged for: Already included in service charge budget Sinking fund/renewal fund – if yes is balance sufficient?	

Via service charge, but not included in budget Invoice	
Are the works seasonal? Has timescale been agreed to ensure this is met?	

Signed (S20 Officer):

Date: *(For S20 use only)*

Approval Process	
Dispensation Application If yes: Approved by head of service Date passed to Capsticks/application made	
Pre-determination required? If yes: Approved by head of service Date passed to Capsticks/application made	
Detail any further information required from requestor:	
If request not approved, what action is being taken?	
Approved, entry made on S20 log	
Reference Number	

A copy should be saved in the consultation folder on T drive by S20 officer and the date of completion recorded on this form and on the central S20 log.

Send copy of completed form to: Project lead/project manager/service charge regional team leader