

Housing Services

Home Ownership Team

Level 3, 13-27 Station Road, Wood Green, London N22 6UW.

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Our ref: FIN/HOT

This matter is being dealt with by:

Date: **4 May 2005**

**FIRST SECTION 20 NOTICE – NOTICE OF INTENTION TO ENTER INTO A LONG TERM AGREEMENT
(Schedule 2 of the Commonhold & Leasehold Reform Act 2002)**

Dear Leaseholder(s)

Leasehold Property Service Charge:

**Leasehold address: xxxxxxxxxxxxxxxx, xxxxxxxxxxxxxxxxxxxxxxxx, xxxxxxxxxxxxxxxx
Long Term Agreement relating to provision of Door Entry/Concierge Systems
Repairs/Maintenance and New Installations**

I am writing to inform you that the Council, as your landlord, proposes to enter into an agreement/contract, details of which are given below. The Council is required to consult all leaseholders who may be affected, in accordance with section 20 of the Landlord & Tenant Act 1985, as amended by the Commonhold and Leasehold Reform Act (2002). This is the first notice under the consultation procedure. The Council must provide you with certain information with regard to a proposal of this nature and this is given below.

1. **Description of the agreement/contract.** The Council is planning to enter into an agreement in respect of the servicing and maintenance of the controlled entry, access and security systems for an area which will include the building in which your property is situated. The agreement relating to your area will take place

under a proposal whereby the whole borough will be divided into similar areas with regard to such work. Each area will be covered by a contractor who will enter into a standard type of agreement with equivalent conditions.

The agreement will cover day to day repairs and maintenance to existing controlled entry and security facilities. It will replace any previous arrangements regarding these matters. It may result in annual maintenance charges to some leaseholders of more than £100 per annum. This means that under the regulations the Council is required to consult with all leaseholders who may be liable to a charge under the agreement. It will also cover works in respect of the installation of new/replacement door entry and access systems, security doors and closed circuit television (CCTV), where these are considered necessary.

2. **Duration of agreement/contract.** It will be for a period of three years with an option to extend for a further two years subject to a review at the end of the third and fourth years.
3. **Reasons why the agreement is necessary.** It is necessary to ensure sufficient capacity for essential maintenance and repair work to be carried out as quickly and as efficiently as possible. It will also expedite the installation of new controlled access and CCTV systems, where these are appropriate to meet the Council's landlord obligations.
4. **Reasons for undertaking works.** Under the terms of the agreement the Council proposes to undertake works. These will be required in respect of major repairs and the installation of new controlled access, CCTV systems, etc, in buildings where it is considered that such facilities are cost effective and necessary to providing the required level and type of service.
5. **Consultation about works.** Where works are proposed which may result in charges to leaseholders in excess of £250 per property, the Council is required (under Schedule 3 of the regulations) to issue a separate Section 20 Notice describing them. This notice will have to go to each leaseholder in the building in which the works are proposed. Only leaseholders in that building will have to contribute towards the cost of such works. The notice will also contain an estimate of the cost of the works and inform leaseholders of their right to make observations on them.
6. **Observations.** You have the right to make written observations regarding these works. If you wish to do this, you must submit these to this office in writing to be received within a period of 30 days of the date of this notice (that is by the date shown below).
7. **Address & final date for receipt of observations.** The final date for the receipt of observations is Tuesday the **7 June 2005**. Where you wish to submit observations with regard to the proposals contained in this notice, please send them to me in writing at the following address: Home Ownership Team, 13 – 27 Station Road, Wood Green, London, N22 6UW.

8. **Public notice – the absence of the right to nominate.** Where it is necessary to issue a public notice (as in this case), the right of leaseholders to nominate a contractor has to be set aside. It is anticipated that the proposed agreement will result in an annual service contract above the amount set under laws passed by the EEC in respect of the tendering of outside service contracts in the public sector. Contracts of this nature must be announced via a notice which must be published in the Official Journal of the European Union.

The public notice must give details and invite tenders from suitable contractors in respect of the proposed contract. In view of this requirement, the new Section 20 regulations state that it is not possible for leaseholders themselves to propose a person or contractor to tender for the contract, as would otherwise be the case. The regulations also state that leaseholders must be informed of this fact.

Further consultation - Second Section 20 Notice – Notification of Landlord’s proposal. Upon receipt of the tenders/estimates, we will send you the second Section 20 Notice, which will inform you of the proposed contractor, etc, and provide you with a further opportunity to be consulted about the proposed agreement.

Cost of the works. As a leaseholder you will only be liable for a charge under this agreement where it results in the provision of works or services to the building or estate in which your property is situated. Under the terms of your lease you will then be liable for a proportion of the costs incurred on your building or estate. It should be noted that some leaseholders will receive a copy of this notice even though it is not likely that the Council will undertake works or provide a service to their building under this agreement. This is for administrative reasons with respect to the issue of the notice.

Explanatory Notes. I enclose some explanatory notes on the new Section 20 procedures, which we have prepared in the Home Ownership Team. They are not required under the regulations but we are providing them as part of the Council’s best practice policies. The notes try to cover all aspects of the statutory consultation procedure regarding this proposed agreement and I hope you will find them helpful in understanding the consultation procedure.

Yours sincerely



Nesan Thevanesan
Home Ownership Team Finance Manager

Enclosures:

Explanatory Notes on the Consultation Requirements (Schedule 2).