

Gateway customer guide to:

Major Works

Section 20

Factsheet

04



Gateway
Property Management

Major Works

Section 20

At Gateway we appreciate your home is possibly your most valuable asset and inevitably major works will be required from time to time in order to protect your investment.

We have produced this factsheet to help explain the Section 20 process that has to be followed before works can proceed as well as answering any questions you may have.

Why are major works being carried out?

External and internal communal areas and the fabric of the building are subject to wear and tear. This is because the building has a limited lifespan and will need maintaining. Your agreement requires the property to be maintained to a good standard and inevitably this will involve major works at some time.

What works could be carried out?

External

Works will vary from property to property but typically they may include repairs to the exterior and main structure of the building, roof, gutters, external redecoration including external joinery, rendering, gutters and downpipes.

Internal

Works usually include repairs and maintenance to the internal communal areas including walls, ceilings, joinery and flooring. Light fittings may also be replaced if applicable.

Please Note: If your agreement states that any of the aforementioned items are included within the 'Demised Premises' the repair and redecoration of them would be your responsibility.

Major works may also relate to one off items of repair, such as replacing or overhauling the roof or external communal grounds maintenance.

Before any major work can commence there is a statutory consultation process which should be followed. The extent of any proposed works will be set out in writing and you will be given the opportunity to comment upon them.

Your rights are protected by statute and the Section 20 consultation process.

The consultation process:

Section 20 work refers to Section 20 of the Landlord and Tenant Act 1985 (as amended by The Commonhold and Leasehold Reform Act 2002). This states that the consultation procedure should be followed if the qualifying work will cost any one leaseholder over £250.00.

1. 'Notice of Intent' is served (1st notice).

You have the opportunity to make observations on the proposed work and to nominate a contractor to be included on the tender list during a 30 day observation period.

Following the observation period a surveyor will be appointed to prepare a specification of works taking into consideration any observations made. Once the specification has been completed, estimates will be sought from independent contractors including any you have nominated. Please note for contractors to be included on the tender list it is a requirement of Gateway that they must hold public liability insurance for a minimum sum insured of £5m. On receipt of the estimates, the surveyor will produce a report which compares all tenders received and will confirm their recommended contractor.

2. 'Notice of Estimates' is served (2nd Notice).

All estimates submitted, any observations made as a result of the 'Notice of Intent' and our responses to these will be reported to you.

We will also detail the contribution that you would need to pay to enable the work to proceed. If there is a reserve fund at the property some of this may be used to assist with the cost.

A further 30 day consultation period is given at this time to allow you to request any further information or make additional observations.

3. Invoices are sent (if applicable).

Following the 30 day period and after taking into consideration any further observations received you will be sent an invoice for the funds required.

After everyone has paid we will write to confirm the proposed commencement date of the work.

Rest assured all monies paid to us are client monies and are held in the designated client account.

4. Notice of reasons (3rd Notice).

Sometimes the lowest estimate or the nominated contractor is not selected, or the cost or nature of works is altered. If this happens we will write to you to explain why.

Please note: You must notify your home contents insurance provider that scaffolding may be erected near your property.

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Your questions answered:

Q How can you know that the redecorations are going to cost more than £250 each before you have obtained quotations?

A We review historical costs of similar works to those that we believe will need to be carried out on site. It is therefore a fair estimate that the cost of redecorations is likely to be in excess of £250 each.

Q Can I get the redecorations carried out by my own contractor?

A You can nominate your own contractors during the observation process under the 1st notice of intent. Nominations must be made to Gateway accordingly and cannot be accepted after the first notice expires. The surveyor will then approach them to tender on a confidential basis.

Q Who is Associated Surveying Ltd?

A Associated Surveying Ltd is part of the Gateway Group. A surveyor will attend site to specify and oversee the works and your Property Manager will aim to resolve any questions you have regarding the Section 20 process.

Q How do I make nominations or comments on the proposed works when you have not told me what you are planning to do?

A The first stage of consultation will notify you in general terms of the intention to carry out works. We would like to address any repairs that are required to the building. So please use this opportunity to bring any works to our attention or to nominate general contractors.

Q How much money is in my reserve fund, and will you be using it to pay towards the works?

- A** If you pay into a reserve fund as part of your annual service charge, then the cost of redecorations can be offset if sufficient funds are available. If the cost of the work required is greater than the amount in the fund, you will receive a bill for the balance.

Q Can I pay in instalments?

- A** We are able to set up a payment agreement depending on the final amount and your personal situation. Please feel free to discuss any concerns you have with us at the earliest opportunity.

Q Why am I being asked to pay an additional amount on top of the service charge?

- A** The service charge is used for the day to day management of the property, and has been budgeted for specific items such as minor repairs, cleaning, gardening, communal electric costs etc. The major work is arranged in addition to the above costs and subject to section 20 consultation due to the anticipated cost of the works being over £250 each.

Q A local contractor has provided me with a lower price for the work, so why are we not using them?

- A** Gateway is always willing to review prices received from local contractors. If you have a contractor in mind then please notify us at the earliest opportunity as we must ensure that their price includes all of the work stipulated on the surveyor's specification and that contractors meet the guidelines, have public liability insurance of £5m and a Health and Safety Method Statement.

Q I've paid my contribution, why haven't works started yet?

- A** We are not able to instruct the contractor to carry out works until we are in receipt of the full amount. On occasions the collection of contributions can take longer than desired, please be assured that our credit control team will endeavour to collect the funds from late payers as quickly as possible.

Q Will I need to do anything whilst work is ongoing?

- A** You may need to be in your home when work is carried out on your windows or doors if this forms part of the major works contract. The contractors may ask you to move your belongings such as curtains and ornaments from these areas to prevent them from being damaged. You may also be requested to allow contractors (or Gateway staff) access to the communal areas or areas that are only accessible via your property such as a rear wall. Please also allow a reasonable amount of time for paint to dry on windows and doors before closing them at the end of the day.

Q Who will oversee the works?

- A** Either Associated Surveying Ltd or an independent surveyor will ensure all work is carried out to the standard detailed in the contract and specification of works.

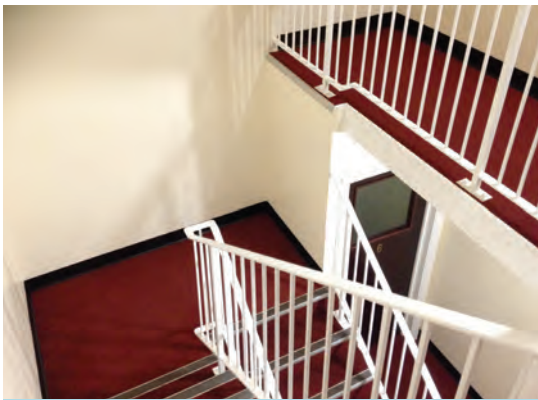
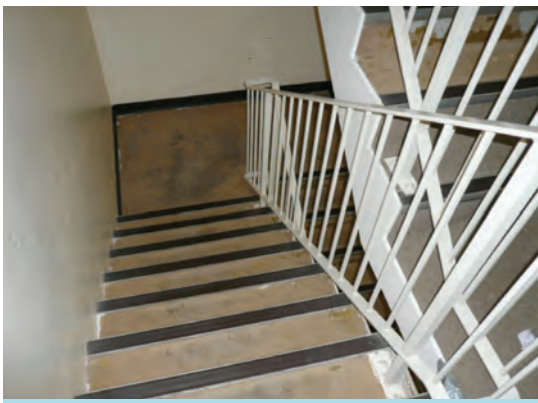
Q Why are the costs higher than the last programme of decorations?

- A** Building costs and materials increase over time and the main structure and fabric of the building will deteriorate. Legislation often requires contractors to have scaffolding erected and to provide welfare facilities on large sites for their staff. All these costs have to be covered within the Section 20 works.

Before & After



Before & After



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Q How long will the works take?

A The duration of any major works contract depends upon the size of the property and the nature of work being undertaken. The contractor will be able to give us an estimation on the duration of the works before starting on site as this is part of the tender process.

Q Can I comment on the planned redecorations and the contractor?

A You will be able to view the specification documents in our office at stage two (by appointment), alternatively, a copy of the specification can be sent to you by email. Once the redecorations commence, you will have contact numbers for the surveyor and contractor to raise issues with them directly. If you are not happy at any stage of the works then we will work to address your concerns.

Q What happens if I am selling my property?

A Property sales frequently occur during the process. We recommend you disclose the proposed works to any prospective purchaser. If you have already agreed a sale then you should forward copies of our correspondence to your solicitor.

Q What about safety and security?

A All staff associated with the project will carry identity cards, whether they work for Gateway or our appointed contractor. Always check a person's identity card before allowing them into your home.

Please ensure that children, pets and visitors behave responsibly onsite around contractor's equipment and they avoid climbing on ladders or scaffolding erected during the works.

Please note: You must notify your home contents insurance provider that scaffolding may be erected near your property.



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