

TITLE	Leasehold Consultation Policy		
Policy ref:	LG049P	Approval date	October 2026
Owner	Customer Operations Director	Planned review date	October 2029
Department(s):	Operations - Housing		
Approved by	ELT		

1. Background	This policy states how Abbeyfield Living Society (ALS) will meet the statutory consultation requirements that apply to certain variable service charge expenditure. Section 20 of the Landlord and Tenant Act 1985, as amended, limits recovery unless the prescribed consultation requirements are met or the First-tier Tribunal (Property Chamber) grants dispensation. The statutory term 'tenant' can include a leaseholder, shared owner or rental tenant who is liable under a lease or tenancy to pay a variable service charge. ALS will identify affected people from their legal agreement and service charge liability rather than tenure label alone.
2. Objectives	The aims of this policy are to ensure that: • Protect affected service charge payers by providing meaningful information and an opportunity to comment before relevant decisions are made. • Comply with the consultation requirements and preserve lawful recovery of reasonably incurred costs. • Make decision ownership, assurance and records clear across Property, Customer Operations, Procurement, Finance and Legal. • Support transparent, fair and value-for-money decisions while recognising that compliance with consultation procedure does not by itself make a cost reasonable or recoverable.
3. Scope	This policy applies in England where ALS is landlord or acts on behalf of the landlord and a person is liable to pay a variable service charge towards relevant costs. • Qualifying works: where the relevant contribution of any one affected service charge payer is expected to exceed £250 for the identified set of works. • Qualifying long-term agreements: agreements for more than 12 months where the relevant contribution of any one affected service charge payer is expected to exceed £100 in an accounting period.

	Qualifying works under a qualifying long-term agreement: the agreement and the later works may require separate consultation.						
4. Policy	4.1 Policy principles - ALS will check the lease or tenancy before deciding that a cost can be recovered through a variable service charge. - ALS will identify Section 20 implications early enough for consultation to influence the decision. - Descriptions, reasons, estimates and responses will be accurate, property-specific, consistent with procurement documents and written in plain language. - ALS will give notices to every affected service charge payer and to any recognised tenants' association required by law. - ALS will allow the statutory consultation periods, have conscientious regard to observations, and provide responses where required. - Where the applicable schedule gives a right to nominate a contractor, ALS will explain the right and apply the statutory nomination rules. - Procurement will determine and record whether a public notice is required under the Procurement Act 2023. That decision determines whether Schedule 1 or 2, and Schedule 4 Part 1 or Part 2, applies. - ALS will not split or reframe work or agreements to avoid consultation. The identification of a set of works will be evidence-based. - Service charges will remain subject to the lease or tenancy and the statutory tests of reasonableness and standard of work. 4.2 Accountability <table> <tr> <th>Role</th><th>Policy accountability</th></tr> <tr> <td>Property</td><td>Owns the decision that work or a service is required; defines scope, necessity, specification, programme and technical evidence; identifies whether the proposal is qualifying works, a qualifying long-term agreement, or work under an existing agreement.</td></tr> <tr> <td>Regional Operations Manager</td><td>Owns the resident-facing consultation for the affected region; confirms recipients; converts the technical information into accurate notices; coordinates observations and responses; ensures no stage proceeds without the required consultation evidence.</td></tr> </table>	Role	Policy accountability	Property	Owns the decision that work or a service is required; defines scope, necessity, specification, programme and technical evidence; identifies whether the proposal is qualifying works, a qualifying long-term agreement, or work under an existing agreement.	Regional Operations Manager	Owns the resident-facing consultation for the affected region; confirms recipients; converts the technical information into accurate notices; coordinates observations and responses; ensures no stage proceeds without the required consultation evidence.
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Property	Owns the decision that work or a service is required; defines scope, necessity, specification, programme and technical evidence; identifies whether the proposal is qualifying works, a qualifying long-term agreement, or work under an existing agreement.						
Regional Operations Manager	Owns the resident-facing consultation for the affected region; confirms recipients; converts the technical information into accurate notices; coordinates observations and responses; ensures no stage proceeds without the required consultation evidence.						

	Procurement	Owns the procurement route, public-notice decision, tender process, nominated-contractor interface, connection declarations and contract-award record.
	Finance and Service Charges	Confirms liability, apportionment, threshold calculations, estimated contributions and alignment between consultation and billing.
	Legal and Governance	Advises on uncertainty, departure, dispensation, challenge and material legal risk; supports policy assurance.
	Executive Leadership Team	Approves this policy and any proposed conscious departure from the statutory process, subject to legal advice. Approval does not replace any required tribunal dispensation.
4.3 Exceptions, urgency and dispensation ALS will comply with the consultation requirements wherever reasonably practicable. A genuine emergency may require immediate action to protect life, safety or property. Urgency does not automatically remove the statutory requirements. The responsible director must obtain Legal advice, record the evidence and consider an application to the First-tier Tribunal for dispensation under section 20ZA. ALS may apply for dispensation before or after a failure to comply. The tribunal decides whether dispensation is reasonable and may impose conditions, including costs. Operational or procurement convenience alone is not a sufficient basis for assuming dispensation will be granted. 4.4 Records and assurance ALS will maintain a complete consultation file in accordance with its records-retention requirements. The file will include the legal agreement and liability check, calculations, decision route, notices, recipient list, proof of service, observations, responses, specifications, estimates, tender and approval records, connection declarations, executed contract, invoices and any legal or tribunal material.		
5. Finance, Value for Money & Social Value	Consultation supports transparency and value for money but does not replace procurement, contract management or the legal requirement that relevant costs are reasonably incurred and works or services are of a reasonable standard. ALS will evaluate quality, price, risk, resident impact and applicable social-value	

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	requirements. Where consultation has not been complied with and no dispensation is granted, recovery is normally limited to £250 per affected service charge payer for qualifying works or £100 per accounting period for a qualifying long-term agreement.
6. Linked policies	• Procurement policy and procedures • Service charge policy and procedures • Repairs and asset management policies • Complaints policy • Records retention and data protection policies • Delegations and financial regulations
7. Relevant Legislation / Regulation	• Landlord and Tenant Act 1985, sections 18 to 20ZA • Commonhold and Leasehold Reform Act 2002, section 151 • Service Charges (Consultation Requirements) (England) Regulations 2003 (SI 2003/1987), as amended • Procurement Act 2023 and applicable regulations • Landlord and Tenant Act 1987, sections 47 and 48
8. Guidance	Operational guidance is in Appendix 12 and the Section 20 Leasehold Consultation Standard Operating Procedure. Current government and Leasehold Advisory Service guidance may be used alongside, but legislation and case-specific Legal advice take precedence.
9. Review	This policy will be reviewed every three years and sooner if legislation, procurement rules, case law, regulatory expectations or material assurance findings change.
10. Procedure(s)	• 10.1 Section 20 Leasehold Consultation Standard Operating Procedure • Appendices 1-11: notice templates • Appendix 12: Guidance notes and procedure
11. Process Map(s)	Appendix 13: Which notice and template flowchart

Version	Purpose/change	Resident Panel Involvement	Author	Date
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1.0	New policy written to set out the process for section 20 leasehold consultations	Y	Tracey Smith / Melanie Gowers	Sep 26