

Leaseholder offer and Section 20 consultation explained



What leaseholders will receive?



Landlords have a legal duty to consult with leaseholders on rechargeable works taking place to their block or home when the costs are above £250.

The consultation process is called a Section 20 consultation, under the Landlord and Tenant Act. There are two stages to the process - a notice of intention and a notice of proposal. The landlord will notify the leaseholder of its intention to carry out works and their nature. Once the landlord finalises their plans, they will notify the leaseholder of the proposed work including estimated costs, the contractor, and the estimated recharge to the leaseholder.

Some of the works planned for Lancaster West will be above this £250 threshold. The works have been divided into a series of packages. You will receive a Section 20 consultation notice from RBKC for each category of work (each consisting of one or more packages): the refurbishment works, and the heat network.

Leaseholder recharges are calculated using a standard formula based on the size of the property and the block the property relates to. RBKC will also consider whether the leaseholder is a resident or non-resident, any government grant received and grant conditions as well as applying discounts committed to following the Grenfell Tower Tragedy and government policy such as 'Florrie's Law' when calculating a recharge.

Rules impacting calculation of charge

Rule	Charge to leaseholder
Works package funded by SHDF Demonstrator (Government decarbonisation funding)	£0 for that package of works
Works package funded by SHDF Wave 1 (Government funding)	Capped at £3,300 for that package of works
Leaseholder not living in the property as their only or principal home at the time of the Grenfell Tower Tragedy or invoice	Full Charge (after SHDF caps) in accordance with the lease
Leaseholder or Shared Owner potentially charged more than £15k in a five year period living in the property as their only or principal home at the time of invoice	No charge above £15k in a five year period if work is carried out to your building using central government funding
Leaseholder or Shared Owner living in the property as their only or principal home at the time of the Grenfell Tower Tragedy, and at the time of invoice	Reduce charge by 54.4% - this figure of discount is based on an illustrative figure in 2019, the figure applied may vary