

Section 20 Document Review Resident Involvement Report

24 September 2020

**Johanna Winch
Customer Involvement Officer**



Contents

Table of Contents

Report Purpose	3
Consultation Themes	3
Consultation Methodology.	3
Respondent profile	3
Consultation findings	4
Recommendations	10
Feedback from Project Lead	11



Report Purpose

The Leasehold Consultant has recently reviewed the Section 20 Policy, the External Management Agents Policy and Section 20 Guidance. The Leasehold Team wanted to know if residents found the documents easy to read and understand, setting out their purpose, roles, responsibilities and criteria.

Consultation Themes

The consultation theme was to involve residents who had expressed an interest in being a Resident Reviewer, review groupwide policies, procedures or strategies and home owner group. This enabled a variety of residents to give their views from a variety of tenures and backgrounds.

Consultation Methodology.

This report sets out the findings of the review undertaken by residents. Residents were given a variety of ways to respond to the review:

1. By a feedback form attached to an email for residents' comments.
2. By talking to relevant Customer Involvement Officer over the telephone.
3. By using the survey monkey link to complete a survey.

The Customer Involvement Team was responsible for the design, co-ordination and delivery of the review and report findings to the Leasehold Consultant.

In line with standard research practice, and due to the numbers of residents involved, the findings of this review group cannot be viewed as providing representative feedback on the views of all the Group's residents. These results do provide an insight into the views and opinions of residents.

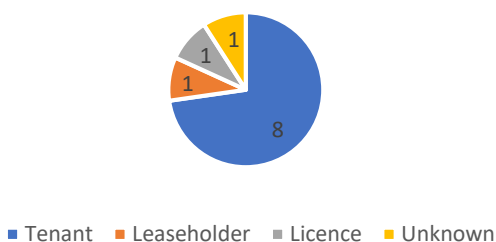
Respondent profile

11 residents responded; 3 by email, 4 by post, 1 by phone and 3 by survey monkey. The age profile was as follows

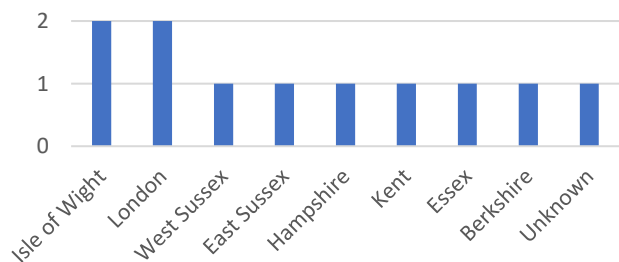
Age range 45-54 x 3 55-59 x 1 65-74 x 3 75+ x 3 Unknown x 1

4 were male, 6 female and 1 unknown. There were no other gender groups. 3 of those we spoke to indicate a disability.

Tenure Breakdown



County Breakdown



Consultation findings

Out of the 11 residents who responded one gave their answers by phone and did not fit in with the questions and therefore responses reflect answers for 10 residents.

Section 20 Policy

1. Section 2 - Definitions. Is this section clear and easy to understand?

10 residents answered yes.

1. I think I understood - I know it has to be legally correct, but the language is not all that easy to understand.
2. As you stated it is technically worded, however the resident copy does make it clear there is 2 different types of notice
3. It is quite clear in its explanation
4. The definitions seem clear enough. I do feel however that 1.3 could say pre-tender stage (also known as notice of intention) etc, as some sheets say notice of intention etc then this one starts saying pre-tender it's a bit confusing even though informs you at definitions it messes with the head
5. This section is clear and easy to understand
6. Clear to me. Although on 2.23 I would have included (FTT) after First Tier Tribunal as this is the first time it is documented rather than later in the documentation.
7. Clearly defines who the customers are and why they are included in section 20 regulations. It also states the several names associated with notice documents.
8. The information was laid out clearly and was stated clearly

2. Section 3 - Does this section clearly set out the purpose of this policy?

8 residents felt it did, but 2 residents said no.

- I understand why you need a policy and the implications if you do not have/follow one
- It clearly demonstrated that residents who live in the appropriate housing are responsible for certain works. I would only note that this is important for those residents to be aware of this from day 1
- It is quite clear in its explanation
- Didn't understand 3.2. Reduce their obligations to pay service charges? Needs to be clearer. Might want to re word collaborative as not everyone will understand the meaning.
- Yes, for it does set out clearly the purpose of the policy
- I understand it
- It provides a tenants / leaseholder's customer originated attitude by referring to the consultation as a collaborative process and fully lists the problems and delays under section 4
- It could be better phrased

3. Section 4 – Does this section clearly set out the criteria around consultations?

7 residents felt it did, but 3 residents said no.

- I understand the parameters you have to work to
- It is very clear. However, the exemptions could be clearer.
- Section 4.2 is worded badly, the rest is clear

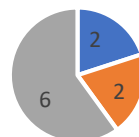
- Seems ok I understood it. 4.4b could probably be clearer as had to read a couple of times
- Yes, I believe that this section clearly states the criteria around the consultations
- I understand it except for 4.4c - I don't understand why? I am also concerned about 4.5d - this gives too much leeway
- As above in section 3 by me, section 4 fully advises on all the unexpected problems and delays that could arise when setting up a long-term qualifying agreement
- It is hard to do this

4. Section 5 – Does this section clearly set out the roles and responsibilities?

6 residents felt it did, but 4 residents said no.

- I can only accept that all the roles are considered - All of this subject is outside my experience!
- There should be involvement from a resident on the relevant site
- It is worded clearly, but the points are a bit random and seem to me to be either irrelevant or unnecessary.
- 5.3 'If section 20 qualifies' this sounds as if the SD can undermine policy/overrule section 20? How can that be fair (if it's only valid when it is difficult i.e. 4.5 then it needs to be clearer)
- After reading this section I understood who was responsible and whose role it was
- I understand the words. I have a query as to why 5.3 might occur. Please give me examples to understand. There must be guidelines. It can't be arbitrary
- Each role and responsibility is clearly stated without any excess wording

5. How easy was the Section 20 Policy to read and understand?



■ Excellent ■ Very good ■ Satisfactory

- This is not something I have any experience in and can only say I think I understood it
- It gave all of the information that it needed. However, this is for the group use and not necessarily for residents to view
- Less jargon can be hard to read. A couple of bits need a bit of improving I feel but basically looking ok
- When I first looked at the document, I was quite confused, but after breaking it down to small sections at a time it became much clearer
- Clear to read, though section 4.2 could be cleaner in what the costs of consultations

6. Do you think this policy uses clear simple language throughout?

7 residents felt it did, but 3 residents said no.

- It does have technical language and maybe needs an explanation guide if sent to residents
- Mostly yes but a couple of bits i.e. 3.2 is confusing as mentioned before. Also using the word collaborative in 3.4 (some may need to know the meaning?)
- I feel that the language throughout the document was clear, but some people might find it too technical to understand
- Wording seems convoluted in certain sections (4.2)
- Some of the language I can understand but some not

7. Do you have any other comments regarding this policy?

- Only that which I have already said - it is totally new to me and outside my experience
- I could not find anything on the SHG website
- Found the section 20 OK but feel the pre-tender list (1.3) etc needs to have in brackets (also known as notice of intention) etc, to fully understand. 3.2 is confusing. 4.4 could probably be clearer. 5.3 needs to be clearer as doesn't seem fair unless abiding by 4.5. changing collaborative as not an everyday word so some may not know what it means.

External Management Agents Policy

8. Section 2 - Definitions. Is this section clear and easy to understand?

9 residents felt it did, but 1 resident said no.

- Understood, clear, concise and found it clear to read
- It gave a clear understanding what it was about
- I could understand it. Regarding 2.3 I would have inserted (RTA) here after the words
- I only think I understand

9. Section 3 - Does this section clearly set out the purpose of this policy?

6 residents felt it did, but 4 said no

- I don't understand why External Management would be needed
- It does explain properly for other residents but not very clear for social tenants if there is a mix of tenancy types at any location
- Only 3.1 is a policy statement. 3.2 is the consequence of the policy failing. 3.3 is procedure. 3.4 is a contradiction.
- 3.2 could be worded a bit clearer as why would it reduce groups obligations to pay service charges? Some people may find the word detriment hard to understand? Rest ok
- I found it a bit confusing
- Query re 3.3a if (special care should be given, within the contract) is new then that is an improvement. If not, then I've been sent the first notice letter recently and I do not pay service charges. Question: is there a flow chart diagram to accompany the works for section 20 process?

10. Section 4 – Does this section clearly set out the criteria around consultations?

5 residents felt it did, but 5 said no

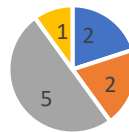
- I think I understand
- I do not think it covers objections to the proposed S20 project
- 4.4 wanders off the point and heads deep into the woods. 4.6 and 4.7 read like after thoughts
- 4.1 would be good to have in brackets what they are also known as i.e. pre-tender (notice of intention) otherwise people are having to refer to definitions each time
- I found it a bit confusing
- Understood
- I had a job to understand it

11. Section 5 – Does this section clearly set out the roles and responsibilities?

All residents felt it did

- Again, as with Sect 20 policy I do not know what roles there should be so having to take this on trust
- As per question 4, there should be resident involvement
- All seemed clear
- I did understand this part of the document

12. How easy was the Section 20 Policy to read and understand?



■ Excellent ■ Very good ■ Satisfactory ■ Poor

- A bit over my head!
- It gave all the information that it needed. However, this is for the group use and not necessarily for residents to view
- Legal jargon but mostly quite clear. Just felt a couple of alterations would make it clearer
- For some people it may be confusing and difficult to understand
- Everything was laid out clearly

13. Do you think this policy uses clear simple language throughout?

7 residents felt it did, but 3 said no

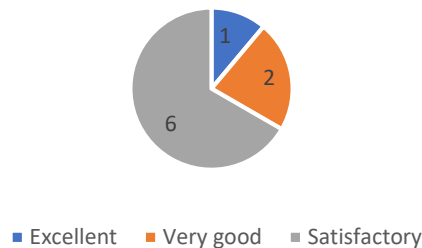
- It uses too much language - it's too long
- Maybe change the word detriment as don't feel everyone will understand
- Some of the policy language is easy to understand while other parts are a bit technical
- I did not feel it necessary to give individual answers as to why I answered 'yes' to each section. All the sections use simple clear language. They identified by clear heading what the section dealt with and clearly, succinctly fully stuck to the topics.
- Understandable
- I did not know what this policy is about

14. Do you have any other comments regarding this policy?

- As stated earlier, it does not give any proposed information on the SHG website
- You should have specific documents drafted for each type of eventuality and take the trouble to use the correct one for each instance, that way your customers don't need to read through options that do not apply to them. For example, if there is an EMA then use one version, if not then use the other, and so on
- I am wondering if it is possible to have a flow chart diagram to go along with the works for section 20 process?

Section 20 Guidance

15. How easy was the guidance to read and understand?



- I believe I did understand the guidance - it was the policy documents that were a bit over my head.
- Technical words may need explanation
- Under section 3 it ideally needs to read notice of intention etc also known as pre-tender state etc as keep changing reference to the same thing is confusing.
- Some of the guidance was easy to understand while other parts were difficult
- Section 3 second para - 'you will only reason the second notice ..' I don't understand 'reason' in that phrase. Section 6 bullet points - would it be more appropriate to use the phrase 'equality, diversity and inclusion policy rather than Equal Opportunity? CDM - does this mean Construction, Designs Management? Perhaps include the words before CDM? Regarding selecting a contractor there is no bullet point or even heading that covers the contractor sub-contracting out the work in whole or part and that checks are made accordingly to ensure compliance. I maintain this as have 6 years residency on one SHG site I have seen these failures to comply multiple times.
- The guidance for me is easy to read and understand. The headings state what reasons and actions are relevant under the specific headings. This makes it simple to refer to a specific matter quickly.

16. With the assistance of the Guidance letter, do you understand how you can respond to us?

6 residents felt it did, but 3 said no

- Seems clear
- I personally feel it needs to be clearer on contact details (Guidance and letter), bigger, in a box, currently it says any further information on policies etc to call or email. It doesn't really approach the details as who you need to contact if you want to make observations

about the works you want to do etc. I do feel it should be simple to contact you regarding the intention of works being carried out, and maybe a contact should be written under 'Written Observations' as this would simplify it (like how you did it under inspection of documents)

- Yes, I do understand how to respond to you
- I understand why some residents who have presented the letter to me with their misunderstandings have gone into meltdown. Its fear based - they now need to find more money, they don't always realise that £100 pa is minimum not actual. Don't always understand why it's happening now when was needed before. Regarding responses to questions: There should be a bold heading under which clear details of exactly which address, email address and telephone contact can be used. Regarding inspection of documents: it doesn't state that SHG will pay for travelling to see these, as they can with Service Charges
- Under each relevant heading where writing the instigator of the section 20 statutory consultation is necessary the customer is reassured that the customer will be given the address and write to. Further provision of specific personal names and telephone numbers is reassuring to those who prefer vocal contact as well.
- I did not understand

17. Is there anything that you feel should be worded differently?

5 residents responded no with 3 responding yes

- You might consider combining sections 1, 2 and 3 and skip the part about the EU, no one cares
- As mentioned already however some people may not understand the word depreciation, so maybe make it simpler?
- I cannot think at this time if it should be worded differently. Even though I was a bit confused on some parts of the document

18. Do you think the guide is helpful?

7 residents felt it did, but 2 responded no

- Concise
- However, I personally feel a couple of alterations would make it easier to read as stated
- The guide is helpful to let you know what section 20 is about
- It could be more helpful for the reasons expressed in response to other questions
- The guide gives all the essential reasons and steps involved in the section 20 statutory consultation with customers simply, clearly, thoroughly, easily referenced separate header sections which provides a handy document to consult whenever needed.
- It was hard for me

19. Do you have any further comments?

- SHG website could be clearer when it talks about S20 and proposed projects across the group

- Contacts needs to be clearer as stated, on guidance and in letter. Also 'This is not a bill etc' needs to be more prominent, as important people don't think it is, otherwise it will raise panic

Feedback via phone call.

Grammatical and spelling errors in Section 20 Policy

4.2 The costs of consultation under Section 20 are ~~proper~~ legitimate management costs and are recoverable from the tenant or leaseholder, subject to the terms of their tenancy/lease. These should also be recovered, although they do not count towards the threshold.

4.3B Works or services under a long-term agreement (LTA) that give rise to an individual liability for a leaseholder ~~which~~ exceed £100 in any one contract during any one year of the contract.

5.1 The responsibility for determining ~~whether or not~~ works are below the threshold for Section 20 may be delegated to contractors under a LTA to improve operational efficiency.

Example Notice Written observations

You have the right (~~remove comma~~) to give us any observations you may have on the intended works in writing within 30 days.

~~In addition each contractor must:~~ (new paragraph not bullet point)

- Be able to carry out the work in the specification

Other comments for considerations:

- Letters for consultation. Consultation should be more face to face as residents often have a number of queries regarding proposed works.
- Since Estate Care undertakes cleaning, etc service charge has doubled when promised this would not be the case.
- The documents refer to 'customers' throughout. We are not customers but residents, please reflect and change to residents.

Recommendations

These recommendations have been summarised and reflect majority opinion from the qualitative and quantitative data:

Recommendation 1

Section 20 Policy – review suggested changes from residents which are detailed in the report

Recommendation 2

External Management Policy – review suggested changes from residents which are detailed in the report.

Recommendation 3

Section 20 Guidance – review suggested changes from residents which are detailed in the report

Recommendation 4

Review additional comments as detailed in report

Feedback from Project Lead

Recommendation 1

Section 20 Policy – review suggested changes from residents which include:

- Rewording of 1.3 could say pre-tender stage (also known as notice of intention) etc, and ensure continuity throughout document

The policy is primary for compliance with precise legal obligations and for that reason it is advisable to use the same terminology as that used in Regulations. A reference to pre-tender stage is made in 1.3 for clarity in non legal terms.

- Rewording 2.23 to include (FTT) after First Tier Tribunal as this is the first time it is documented rather than later in the documentation.

The wording has been updated to include (FTT).

- Rewording of 3.2 as residents felt this was confusing.

The second part of 3.2 has been updated to:-

“In some circumstances, the customer may have their service charges limited to the level where Section 20 consultation is not required.”

- Rewording of 4.2 as residents felt wording was convoluted

This has been updated to:-

“The costs of consultation under Section 20 are costs that should be included as management costs and are recoverable from the tenant or leaseholder, subject to the terms of their tenancy/lease. These should also be recovered, although they do not count towards the threshold.”

- Rewording of 4.4, 4.4b, 4.4c and 4.4d as it could be clearer or currently gives to much leeway

The exemptions are set out in the Regulations and the words have been updated to those used in the Regulations.

- Make grammatical changes in 4.2, 4.4b and 5.1 as details above

See above.

- Consider using another word instead of ‘collaborative’ in 3.4

The reference has been removed

- Clarity regarding ‘Reduce their obligations to pay service charges’

See 3.2 above

- Review how exemptions could be made clearer.

See 4 above

- There should be involvement from a resident on the relevant site

The Policy sets out a statutory policy for customers to give observations. There is also an opportunity for customers to form a recognised RTA.

- Review the use of jargon or consider an explanation guide.

Jargon cannot be avoided when using precise terms used in Regulations. A guide for customers may be useful when they receive a Section 20 Notice.

- Review what information is on SHG website as residents were unable to find anything. Give further information for resident on: Clarity for 5.3 'If section 20 qualifies' this sounds as if the SD can undermine policy/override section 20? How can that be fair (if it's only valid when it is difficult i.e. 4.5 then it needs to be clearer). Why might occur. Please give me examples to understand. There must be guidelines. It can't be arbitrary

The policy will be placed on the website alongside other policies from the Group in due course.

The wording for 5.3 has been updated, but the wording provides some guidance where this might be reasonable. "Where it is considered that costs are not recoverable, then the Service Director must authorise this e.g. failure to comply with the Section 20 Regulations."

It is a fact that sometimes it is difficult to comply fully with the Regulations. Some examples of what might happen in practice have been given based on actual Tribunal decisions. The option is available to the Group to apply to a FTT to seek a Dispensation. It is for the FTT to decide if it is reasonable to grant a Dispensation. The FTT will consider representations by customers before making a determination.

- Review suggested grammatical and spelling errors as detailed

Specific amendments have been made as indicated.

Recommendation 2

External Management Policy – review suggested changes from residents which include:

- Insert (RTA) after the words in 2.3.

This has been updated.

- Include an explanation for why External Management would be needed

The Introduction sets out responsibilities for serving Section 20 Notices. There is also more explanation in 4.4

- Include clearer explanation on how impact on social tenants if there is a mix of tenancy types at any location

It is unclear why there will be a different impact on social tenants.

- 3.2 could be worded a bit clearer as why would it reduce groups obligations to pay service charges?
- Review how to cover objections to the proposed S20 project

Customers are invited to give observations. It is for the Group to have regard to the observations. Whilst this is a policy and not a procedure, the range of observations that may be made is very wide.

- Consider changing the word detriment

This has been changed to “disadvantage”.

- Review wording to 4.4, 4.6 and 4.7

4.4 Seems to set out the factual position 4.6 and 4.7 are specifically for the Group to consider.

- Rewording of 4.1 to include brackets what they are also known as i.e. pre-tender (notice of intention)

This will be updated.

- Clarity on resident involvement

Customers should be involved by receiving an invitation to give observations to Notices.

- Review the use of legal jargon

Precise legal terms will be used when it relates to Regulations so that the meaning is precise.

- Review what information is on the SHG website

The policy will be placed on the website alongside other policies from the Group in due course.

- Consider having specific documents drafted for each type of eventuality

This is a Policy. The procedure will contain operational detail. There is only one circumstance where the Group will need to write to our customers under this policy.

- Consider having a flow chart diagram to go along with the works for section 20 process

There are is an operational procedural flow chart that guides the Project Manager to use the correct Notice.

Recommendation 3

Section 20 Guidance – review suggested changes from residents which include:

- Review the use of technical words and consider giving an explanation

The Section 20 Guidance for customers is intended to give guidance to the process and it is possible to use less technical wording and more explanation. The document is also a lot more flexible and can be updated at any time. A review of the document will be carried out to identify what changes can be made to it to reflect the comments made by customers. If it is possible, one or two customers could be more engaged in reviewing the information included in this document.

- Rewording of section 3 to include brackets what they are also known as i.e. pre-tender (notice of intention)

This will be updated. See above

- Reword Section 3 second para - 'you will only reason the second notice ..' to give more clarity

This will be updated. See above.

- Section 6 bullet points – Consider changing to 'equality, diversity and inclusion policy rather than Equal Opportunity?

This will be updated. See above.

- Give full name to CDM followed by (CDM)

This will be updated. See above.

- Consider including information on contractor sub-contracting out the work in whole or part and that checks are made accordingly to ensure compliance.

Contractors who are intending to use sub-contractors should be familiar with the requirements. This is unlikely to be included in the guidance for customers.

- Consider clearer contact details (Guidance and letter), bigger and in a box

This will be reviewed. See above.

- Consider clearer details as who you need to contact if residents want to make observations about the works.

This will be reviewed. See above.

- Review letters as they are often interpreted as a demand for £100

The early part of the Notice does say this is not a bill or demand for payment. The guidance will be reviewed.

- Consider a bold heading under which clear details of exactly which address, email address and telephone contact can be used.

This will be reviewed. See above.

- Consider including that SHG will pay for travelling to see these, as they can with Service Charges

The Group is not proposing to pay for travelling costs to inspect documents related to Section 20. The documents can be made available online and presently that is the usual route.

- Consider combining sections 1, 2 and 3 and skip the part about the EU

The Regulations make specific references to OJEU and whilst that remains to be the case, the guidance should reflect this. It is expected that the Regulations will be updated but there is no date for this or what they may contain. The letter will be reviewed. See above.

- Consider using another word for depreciation

This is a good point and will be updated. See above.

- Review SHG website for Section 20 and proposed projects across the group

The policy will be placed on the website alongside other policies from the Group in due course.

- Consider making 'This is not a bill etc' more prominent

This will be reviewed. See above.

Recommendation 4

Review additional comments as listed below:

- Consultation should be more face to face as residents often have several queries regarding proposed works.

The Section 20 Regulations process requires Notices to be made in writing and any observations to be made in writing.

There is scope in running a project where the Project Manager may arrange a meeting with residents where the Project manager believes this is warranted. Where there are choices available this may be particularly helpful. Obviously at the present time this is rather difficult.

- Since Estate Care undertakes cleaning, etc service charge has doubled when promised this would not be the case. Why has this happened?

This has been referred to the service charge team service area

- The documents refer to 'customers' throughout. We are not customers but residents, please reflect and change to residents.

The policies relate to leaseholders and tenants. Whilst it is likely that tenants are all residents. This is not the case with leaseholders who may not be resident. They would therefore be excluded from these policies by the use of the term resident. The definition sets this out.

- Respond to query: External Management Agents Policy 3.3a if (special care should be given, within the contract) is new then that is an improvement. If not, then I've been sent the first notice letter recently and I do not pay service charges. Question: is there a flow chart diagram to accompany the works for section 20 process?

There are is an operational procedural flow chart that guides the Project Manager to use the correct Notice.

- Update letter as suggested

This will be reviewed.

Thank you, once again for your feedback and we do hope that you find this information useful.

We look forward to your continued involvement.