

SCHEDULE 2

Regulation 5(2)

CONSULTATION REQUIREMENTS FOR QUALIFYING LONG  
TERM AGREEMENTS FOR WHICH PUBLIC NOTICE IS REQUIRED

*Notice of intention*

- 1.—(1) The landlord shall give notice in writing of intention to enter into the agreement—
  - (a) to each tenant; and
  - (b) where a recognised tenants' association represents some or all of the tenants, to the association.
- (2) The notice shall—
  - (a) describe, in general terms, the relevant matters or specify the place and hours at which a description of the relevant matters may be inspected;
  - (b) state the landlord's reasons for considering it necessary to enter into the agreement;
  - (c) where the relevant matters consist of or include qualifying works, state the landlord's reasons for considering it necessary to carry out those works;
  - (d) state that the reason why the landlord is not inviting recipients of the notice to nominate persons from whom the landlord should try to obtain an estimate for the relevant matters is that public notice of the relevant matters is to be given;
  - (e) invite the making, in writing, of observations in relation to the relevant matters; and
  - (f) specify—
    - (i) the address to which such observations may be sent;
    - (ii) that they must be delivered within the relevant period; and
    - (iii) the date on which the relevant period ends.

*Inspection of description of relevant matters*

- 2.—(1) Where a notice under paragraph 1 specifies a place and hours for inspection—
  - (a) the place and hours so specified must be reasonable; and
  - (b) a description of the relevant matters must be available for inspection, free of charge, at that place and during those hours.
- (2) If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the description.

*Duty to have regard to observations in relation to relevant matters*

3. Where, within the relevant period, observations are made in relation to the relevant matters by any tenant or recognised tenants' association, the landlord shall have regard to those observations.

*Preparation of landlord's proposal*

- 4.—(1) The landlord shall prepare, in accordance with the following provisions of this paragraph, a proposal in respect of the proposed agreement.
- (2) The proposal shall contain a statement—

*Status: This is the original version (as it was originally made).*

- (a) of the name and address of every party to the proposed agreement (other than the landlord); and
- (b) of any connection (apart from the proposed agreement) between the landlord and any other party.

(3) For the purpose of sub-paragraph (2)(b), it shall be assumed that there is a connection between the landlord and a party—

- (a) where the landlord is a company, if the party is, or is to be, a director or manager of the company or is a close relative of any such director or manager;
- (b) where the landlord is a company, and the party is a partner in a partnership, if any partner in that partnership is, or is to be, a director or manager of the company or is a close relative of any such director or manager;
- (c) where both the landlord and the party are companies, if any director or manager of one company is, or is to be, a director or manager of the other company;
- (d) where the party is a company, if the landlord is a director or manager of the company or is a close relative of any such director or manager; or
- (e) where the party is a company and the landlord is a partner in a partnership, if any partner in that partnership is a director or manager of the company or is a close relative of any such director or manager.

(4) Where, as regards each tenant's unit of occupation, it is reasonably practicable for the landlord to estimate the relevant contribution to be incurred by the tenant attributable to the relevant matters to which the proposed agreement relates, the proposal shall contain a statement of that contribution.

(5) Where—

- (a) it is not reasonably practicable for the landlord to make the estimate mentioned in sub-paragraph (4); and
- (b) it is reasonably practicable for the landlord to estimate, as regards the building or other premises to which the proposed agreement relates, the total amount of the landlord's expenditure under the proposed agreement,

the proposal shall contain a statement of the amount of that estimated expenditure.

(6) Where—

- (a) it is not reasonably practicable for the landlord to make the estimate mentioned in sub-paragraph (4) or (5)(b); and
- (b) it is reasonably practicable for the landlord to ascertain the current unit cost or hourly or daily rate applicable to the relevant matters to which the proposed agreement relates,

the proposal shall contain a statement of that cost or rate.

(7) Where it is not reasonably practicable for the landlord to make the estimate mentioned in sub-paragraph (6)(b), the proposal shall contain a statement of the reasons why the landlord cannot comply and the date by which the landlord expects to be able to provide an estimate, cost or rate.

(8) Where the relevant matters comprise or include the proposed appointment by the landlord of an agent to discharge any of the landlord's obligations to the tenants which relate to the management by the landlord of premises to which the agreement relates, each proposal shall contain a statement—

- (a) that the person whose appointment is proposed—
  - (i) is or, as the case may be, is not, a member of a professional body or trade association; and
  - (ii) subscribes or, as the case may be, does not subscribe, to any code of practice or voluntary accreditation scheme relevant to the functions of managing agents; and

- (b) if the person is a member of a professional body or trade association, of the name of the body or association.
- (9) Each proposal shall contain a statement of the intended duration of the proposed agreement.
- (10) Where observations are made to which (in accordance with paragraph 3) the landlord is required to have regard, the proposal shall contain a statement summarising the observations and setting out the landlord's response to them.

*Notification of landlord's proposal*

- 5.—(1) The landlord shall give notice in writing of the proposal prepared under paragraph 4—
- (a) to each tenant; and
  - (b) where a recognised tenants' association represents some or all of the tenants, to the association.
- (2) The notice shall—
- (a) be accompanied by a copy of the proposal or specify the place and hours at which the proposal may be inspected;
  - (b) invite the making, in writing, of observations in relation to the proposal; and
  - (c) specify—
    - (i) the address to which such observations may be sent;
    - (ii) that they must be delivered within the relevant period; and
    - (iii) the date on which the relevant period ends.
- (3) Paragraph 2 shall apply to a proposal made available for inspection under this paragraph as it applies to a description made available for inspection under that paragraph.

*Duty to have regard to observations in relation to proposal*

6. Where, within the relevant period, observations are made in relation to the landlord's proposal by any tenant or recognised tenants' association, the landlord shall have regard to those observations.

*Landlord's response to observations*

7. Where observations are made to which (in accordance with paragraph 6) the landlord is required to have regard, the landlord shall, within 21 days of their receipt, by notice in writing to the person by whom the observations were made, state the landlord's response to the observations.

*Supplementary information*

8. Where a proposal prepared under paragraph 4 contains such a statement as is mentioned in sub-paragraph (7) of that paragraph, the landlord shall, within 21 days of receiving sufficient information to enable the landlord to estimate the amount, cost or rate referred to in sub-paragraph (4), (5) or (6) of that paragraph, give notice in writing of the estimated amount, cost or rate (as the case may be)—
- (a) to each tenant; and
  - (b) where a recognised tenants' association represents some or all of the tenants, to the association.