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LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT ASSESSMENT PANEL

LON/00BK/LDC/2010/0074

Landlord & Tenant Act 1985 (as amended) Section 20 ZA

Property:	46-47 Hamilton Gardens, London NW8 9PX
Applicants:	Maybell Property Management Limited (Freeholders)
Represented by:	Defries Associates Ltd; Managing Agents
Respondents: Represented by:	The Lessees of Flats 1-9 46-47 Hamilton Gardens (Leaseholders) No appearance

Determination: 14th September 2010

Members of the Tribunal: Mr L. W. G. Robson LLB(Hons) (Chairman) Mr H. J. R. Geddes RIBA MRTPI JP

Preliminary

- 1. The Applicant leaseholders seek an order to dispense with the strict consultation provisions in respect of qualifying works required by Section 20 under Section 20 ZA of the Landlord & Tenant Act 1985 (as amended) (the Act), on the grounds that the works to replace the sump pump at the property were urgent to prevent flooding of the basement flat. The lease relating to Flat 5 dated 25th December 1985 (the Lease) was offered as a sample.
- 2. Pursuant to Pre Trial Directions given on 27th July 2010 the case was determined on 14th September 2010 as a paper determination.

Evidence

3. Pursuant to the Directions, Defries Associates on behalf of the Applicant had made written submissions and supplied a bundle of documents before the determination. The Directions provided for service of a copy of the Directions on all the Respondents. The Applicant supplied a copy of proof of posting of the notices prior to the determination. No observations or other communications were received by the Tribunal from any of the Respondents. Defries submitted that no representations had been received by them.

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- 4. The Applicant submitted in its covering letter dated 8th September 2010 that the original sump pump was subject to a regular maintenance contract with ITT Water and Wastewater (FLYGT). In July 2010 it became apparent that the pump was beyond economic repair and required replacement of the control panel, float regulators, junction box and related fixings. An initial notice of intention under Section 20 was served on the Respondents on 20th July 2010. The consultation period required by the notice expired on 20th August 2010 without any observations from the Respondents being received by the Applicant. The Tribunal notes that no Notice of Estimates was issued for the reasons set out below, so the notice procedure under Section 20 was not followed.
- 5. Defries attempted to obtain quotes for the repairs from three pump maintenance contractors including FLYGT. The other contractors suggested that they would charge attendance fees to come and inspect to make a quote. Further, one contractor stated that they would have to replace the existing pump with their own model. The likely costs appeared to be higher than the original estimate offered by FLYGT, of £1,538, which was just under the Section 20 threshold. The agents decided to proceed with FLYGT
- 6. When the formal quote arrived from FLYGT, the quotation was in fact £2,439.53 plus VAT. The largest contribution to the charge will be made by the lessee of Flat 1, which will be over the Section 20 threshold. Defries then immediately issued the Section 20 notice of intention on 20th July 2010. Defries also issued this application as they considered the work was urgent, and any delay in repair might result in flood damage. The Applicant requested an order for dispensation from the full requirements of the Section 20 process, particularly relating to the number of formal quotes available, and the consultation period.

Determination

- 7. The Tribunal considered the evidence and submissions. The Tribunal noted the (undated) quote from FLYGT in the bundle. It would have preferred to see some more specific evidence of the discussions with the other contractors, but the evidence offered was that the matter had been dealt with by a Mr Mclay, who was no longer employed by Defries.
- 8. The Tribunal decided that despite the rather vague evidence relating to the other contractors, it was reasonable for the Applicant to put the work in hand urgently, rather than delay for several months to complete the Section 20 consultation process, and the possibility of expensive flood damage to the property.
- 9. The Tribunal concluded on the balance of the evidence that it was appropriate in this case to exercise its discretion to dispense with all the requirements of Section 20 relating to the work. It appeared that the works were on a building and were qualifying works normally requiring the consultation procedure laid down in Section 20 of the Act. Once the problem had been identified, the Applicant's agent appeared to have acted swiftly to try and protect the health and wellbeing of the residents, attempted to obtain estimates to protect the interests of those liable to contribute to the cost, to inform the lessees prior to the work being commenced, and to make this application.

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- 10. For the avoidance of doubt, this determination does not decide if any service charge costs are reasonable or payable under Section 27A of the Act, and merely deals with the consultation requirements of Section 20.
- 11. An extract from Section 20 ZA is set out in the Appendix to this decision, for ease of reference.

Signed: Lancelot Robson Chairman

Date: 14th September 2010

Appendix

Landlord & Tenant Act 1985 Section 20 ZA

"(1) Where an application is made to a leasehold valuation tribunal for a determination to dispense with all or any of the consultation requirements in relation to any qualifying works or qualifying long term agreement, the tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements."