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**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : LON/00BE/LDC/2018/0154

Property : Block 2 Millennium Square,
London SE1 2PW

Applicant : V and S Limited

Respondents : The leaseholders as per the
schedule attached to the
application

Type of Application : Application under section 20ZA to
dispense with consultation
requirements for a scheme of
Major Works

Tribunal Members : Judge Daley
Mr M Mathews FRICS

**Date and venue of
Paper Determination** : 22 October 2018 at 10 Alfred Place,
London WC1E 7LR

Date of Decision : 25.10.2018

DECISION

Decision of the tribunal

- I. The tribunal grants dispensation in respect of the major works relating to the roof repair works to the premises and the associated scaffolding.
- II. The Tribunal makes no order for the cost occasioned by the making of the application.

The application

1. The applicant by an application, received by the Tribunal on 14 September 2018 sought dispensation under section 20ZA of the Landlord and Tenant Act 1985 from all of the consultation requirements imposed on the landlord by section 20 of the 1985 Act¹.
2. The premises which are the subject of the application are within a converted block of flats which comprise 10 Apartments on the ground, first and second floor.

The Background

3. Directions were given in writing on 26 September 2018, for the progress of this case.
 4. The Directions at paragraph 5 stated that -: *“ The respondent should be aware that this application concerns only whether or not dispensation from the requirements to consult should be granted and does not concern whether any costs are reasonable or payable and the respondent’s rights in relation to S27A of the Landlord & Tenant Act 1985 are preserved.”*
- (i) The Directions also provided that -: *Those tenants who oppose the application shall by 12 October 2018 -: complete the attached form and send it to the Tribunal; and send to the landlord a statement in response to the application with a copy of the reply form. They should send with their statement copies of any documents upon which they wish to rely. The tribunal will be entitled to consider that those tenants who do not respond to the directions agree with the application...”*

¹ See Service Charges (Consultation Requirements) (England) Regulations 2003 (SI2003/1987)

5. The Directions also provided that unless either of the parties objected, the application could be determined on the basis of written representations rather than proceeding to a hearing.

The Applicant's case

6. The Applicant enclosed the following documents in their bundle-:
 - Copy of the original application
 - A copy of a specimen lease
 - Copies of a letter dated 4 October 2018, sent to all of the leaseholders with a copy of the application enclosed.
7. The Application stated that urgent roof repairs were required as there were two apartments who were affected by leaks each time that it rained. The works were considered to be urgent as it was necessary to avoid further damage to the properties. It was proposed by the Applicant, that the costs of the work would be taken from the reserve fund.
8. No information was received from any of the tenant's indicating their opposition to the application for dispensation.

The tribunal's decision

- A. The Tribunal having considered all of the circumstances in this case, has decided that it is reasonable to dispense with the statutory consultation requirements of section 20 of the 1985 Act in relation to the roof repairs.
- B. Further the Applicant **shall within 28 days** provide the Respondents with information of the full scope of the work, details of who the contract was awarded to, how the contractor was selected and the tender price which was put forward.

Reasons for the decision

- C. The Tribunal, in reaching its decision, had to consider whether it was reasonable to grant dispensation. The relevant statutory provisions are found

in subsection 20ZA (1) of the 1985 Act under heading "Consultation Requirements: Supplementary". That subsection reads as follows: "*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 it is reasonable to dispense with the requirements*".

- D. The Applicant stated that they were unable to consult fully under section 20 due to the urgent nature of the work and the on-going risk of damage to the premises, and the time need to carry out a full, section 20 consultation.
- E. The Tribunal noted that although the leaseholders had been informed about the application none of the leaseholders had set out any objection to the proposed work.
- F. Accordingly the Tribunal is satisfied that the work undertaken was urgent and that in these circumstances the consultation procedure ought to be dispensed with. This decision of the Tribunal is limited to the need to consult under section 20 of the Landlord and Tenant Act 1985 for this very limited aspect of the work. **Given this, the parties attention is drawn to the fact that the Tribunal have not made a determination on the reasonableness and payability of the service charges under Section 27 A of the 1985 Act for this work.**
- G. The leaseholders will of course enjoy the protection of section 27A of the 1985 Act so that if they consider the costs of the work are not reasonable (on the grounds set out above or any other ground) they may make an application to the tribunal for a determination of their liability to pay the resultant service charge.
- H. There were no applications for costs before the tribunal.

Judge Daley

Date 25 October 2018

Appendix of relevant legislation

Landlord and Tenant Act 1985

Section 27A

- (1) An application may be made to a leasehold valuation tribunal for a determination whether a service charge is payable and, if it is, as to -
 - (a) the person by whom it is payable,
 - (b) the person to whom it is payable,
 - (c) the amount which is payable,
 - (d) the date at or by which it is payable, and
 - (e) the manner in which it is payable.
- (2) Subsection (1) applies whether or not any payment has been made.
- (3) An application may also be made to a leasehold valuation tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
 - (a) the person by whom it would be payable,
 - (b) the person to whom it would be payable,
 - (c) the amount which would be payable,
 - (d) the date at or by which it would be payable, and
 - (e) the manner in which it would be payable.
- (4) No application under subsection (1) or (3) may be made in respect of a matter which -
 - (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

Section 20

- (1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—
 - (a) complied with in relation to the works or agreement, or
 - (b) dispensed with in relation to the works or agreement by (or on appeal from) a leasehold valuation tribunal.

- (2) In this section "relevant contribution", in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.
- (3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.
- (4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—
 - (a) if relevant costs incurred under the agreement exceed an appropriate amount, or
 - (b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.
- (5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—
 - (a) an amount prescribed by, or determined in accordance with, the regulations, and
 - (b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.
- (6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.
- (7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.]

1. S20ZA Consultation requirements: supplementary

- (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.
- (2) In section 20 and this section—

"qualifying works" means works on a building or any other premises, and

"qualifying long term agreement" means (subject to subsection (3)) an agreement entered into, by or on behalf of the landlord or a superior landlord, for a term of more than twelve months.

- (3) The Secretary of State may by regulations provide that an agreement is not a qualifying long term agreement—
 - (a) if it is an agreement of a description prescribed by the regulations, or
 - (b) in any circumstances so prescribed.
 - (4) In section 20 and this section "the consultation requirements" means requirements prescribed by regulations made by the Secretary of State.
 - (5) Regulations under subsection (4) may in particular include provision requiring the landlord—
 - (a) to provide details of proposed works or agreements to tenants or the Recognised tenants' association representing them,
 - (b) to obtain estimates for proposed works or agreements,
 - (c) to invite tenants or the recognised tenants' association to propose the names of persons from whom the landlord should try to obtain other estimates,
 - (d) to have regard to observations made by tenants or the recognised tenants' association in relation to proposed works or agreements and estimates, and
 - (e) to give reasons in prescribed circumstances for carrying out works or entering into agreements.
 - (6) Regulations under section 20 or this section—
 - (a) may make provision generally or only in relation to specific cases, and
 - (b) may make different provision for different purposes.
 - (7) Regulations under section 20 or this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament. [...]
2. The relevant Regulations referred to in section 20 are those set out in Part 2 of Schedule 4 of the Service Charge (Consultation etc) (England) Regulations 2003.