



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

Case Reference : **LON/00AG/LDC/2018/0059**

Property : **The Sienna Building, 47-48 Hatton Garden, EC1N 8EX**

Applicant : **Headland Weald Freehold Ltd**

Respondent : **The leaseholders**

Type of Application : **Dispensation from consultation requirements under Landlord and Tenant Act 1985 section 20ZA**

Tribunal Members : **Judge Professor R Percival
Mr J Barlow JP FRICS**

Venue of Deliberations : **10 Alfred Place, London WC1E 7LR**

Date of Decision : **18 June 2018**

DECISION

Decisions of the tribunal

- (1) The Tribunal pursuant to section 20ZA of the Landlord and Tenant Act 1985 ("the 1985 Act") grants dispensation from the consultation requirements in respect of the works the subject of the application.

Procedural

1. The applicant landlord applies for a dispensation from the consultation requirements in section 20 of the Landlord and Tenant Act 1985 and the regulations thereunder in respect of works to the water supply system. The application was allocated to the paper track.
2. The Tribunal gave directions on 10 April 2018. The directions were subsequently amended on the application of the applicant, which had failed to carry out the initial steps identified in the original directions. The directions, as amended, provided for a form to be distributed to the tenants to allow them to object to or agree with the application, and, if objecting, to provide such further material as they sought to rely on. The deadline for return of the forms was 25 May 2018. No forms have been received.

The property and the works

3. The property is described as comprising 11 flats, 2 Mews houses and a commercial unit. There is no further description available on the papers. The lease of one of the flats provided indicates the percentages of the service charge payable for all the flats, but does not indicate the liability, if any, of the houses or commercial premises.
4. The application relates to the replacement of elements of the water system for the property, described as the control panel, water booster set and three pumps. There is also a reference to a tank clean to be conducted at the same time. The total value of the works, based on the two quotations available to the Tribunal, is £3,724.
5. The application states that the repairs are urgent. The papers available to the Tribunal appear to show that a patch repair was undertaken in March, and the final repair, which is the subject of this application, in April, but it is not entirely clear.

Determination

6. The Tribunal notes that the quality of this application is poor, and a number of basic questions remain unclear.

7. Nonetheless, we allow the application. In the first place, it appears that the works are, indeed, urgent. An email in the Tribunal file indicates that at one point, presumably before the patch repair, the property was without a water supply for a period.
8. Secondly, no objections have been received. Accordingly, no lessee has sought to demonstrate that they would suffer any prejudice as a result of us granting dispensation. As a result, we must allow the application: *Daejan Investments Ltd v Benson and others* [2013] UKSC 14; [2013] 1 WLR 854.
9. This application relates solely to the granting of dispensation from undertaking the consultation process otherwise required by section 20 of the 1985 Act. If the lessees consider the cost of the works to be excessive or if the quality of the workmanship poor, or if costs sought to be recovered through the service charge are otherwise not reasonably incurred, then it is open to them to apply to the Tribunal for a determination of those issues under section 27A of the 1985 Act.

Name: Judge Professor Percival **Date:** 18 June 2018

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

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) the appropriate 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.]

Section 20ZA

- (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.