



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

Case Reference : **MAN/OOBS/LDC/2022/0030**

Property : **The Folds. School Brow. Romiley,
Stockport, Cheshire SK6 3FL**

Applicant : **Gladman Retirement Living Limited**
Representative : **Adlington Management Services**

Respondents : **Various Residential Long Leaseholders**

Type of Application : **Section 27A Landlord and Tenant Act
1985 – Section 20ZA**

Tribunal Members : **Tribunal Judge J.E. Oliver
Tribunal Member P. Mountain**

Date of Determination : **18th October 2022**

Date of Decision : **20th October 2022**

DECISION

Decision

1. The application to dispense with the consultation requirements imposed by Section 20 of the Landlord and Tenant Act 1985 (“the Act”) and The Service Charges (Consultation Requirements) (England) Regulations 2003 to enable the Applicant to enter into a qualifying agreement lasting longer than their current arrangements of 12 months is granted. This is in respect of their current energy contract that expires in October 2022 and relates to The Folds, School Brow, Romiley, Stockport, Cheshire SK6 3FL.

Reasons

Background

1. This is an application made by Gladman Retirement Living Limited (“the Applicant”) for the dispensation of the consultation requirements imposed by Section 20 of the Landlord & Tenant Act 1985 (“the Act”) and The Service Charges (Consultation Requirements) (England) Regulations 2003 (“the Consultation Requirements”) to enable it to enter into a long-term agreement lasting longer than the current energy contract of 12 months for The Folds, School Brow, Romiley, Stockport Cheshire (“the Property”).
2. The Applicant has stated the current energy contract expires in October 2022 and their energy broker has confirmed, as at the date of the application, the cost will increase from 20p kw/hr to 89p per kw/hr if renewed on a 12 month basis. Such an increase will place significant financial pressure upon the Respondents and it needs flexibility to negotiate longer term agreements in order to mitigate the increased cost.
3. The Respondents to the application are the various long leaseholders of the Property (“the Respondents”).
4. The application is dated 23rd March 2022 and in respect of which directions were issued on 8th July 2022 providing for the filing of any objections by the Respondents and for the application to be determined without a hearing.
5. The Applicant confirmed no objections had been received to the application, nor were any representations received by the Tribunal.
6. The Tribunal considered the application on the Applicant’s written submissions on 18th October 2022.

The Law

7. Section 20 of the Act provides:

(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 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 the 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”

8. In the event the requirements of section 20 have not been complied with, or there is insufficient time for the consultation process to be implemented, then an application may be made to the First-tier Tribunal pursuant to section 20ZA of the Act.

9. Section 20ZA of the Act provides:

(1) Where an application is made to a tribunal for a determination to dispense with all or any 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 section (3) an agreement entered into, by or on behalf of the landlord or a superior landlord, for a term of more than twelve months.

10. In **Daejan Investments Ltd v Benson [2013] UKSC 14** it was determined that a Tribunal, when considering whether to grant dispensation, should consider whether the tenants would be prejudiced by any failure to comply with the Consultation Requirements.

Submissions

11. The Applicant is the landlord of the Property, a retirement village comprising of 50 apartments. It is described as providing extensive communal facilities, including a table service restaurant, lounges, coffee lounge, activity studio, therapy suite, hairdressing salon, lifts, mobility scooter store with charging facilities, car park and extensive grounds. The Property is entirely powered by electricity and the cost is funded through the service charge.
12. The Applicant confirmed their existing energy contract expires in October 2022. In March 2022 their energy broker provided a quote, on the same terms, showing the cost of electricity would, at that time, rise from 20p kw/hr to 89p per kw/hr. This increase will place financial pressure on the Respondents. Accordingly, the Applicant wishes to negotiate longer term agreements to mitigate the increased costs.
13. The Applicant seeks dispensation from all the Consultation Requirements necessary to enter into a long term agreement exceeding 12 months to enable it to secure the best possible contract in a volatile market.
14. The Applicant also confirmed it held an annual service charge budget meeting in March 2022 where the situation was discussed with the Respondents and where support was given for the application to the Tribunal. The Applicant confirmed no objection to the application had been received.

Determination

15. The Tribunal is being asked to exercise its discretion under section 20ZA of the Act. Section 20ZA (1) provides the Tribunal may do so where *“if satisfied that it is reasonable to dispense with the requirements”*.
16. The Tribunal, having considered the submissions made by the Applicant, is satisfied there is good reason to dispense with the Consultation Requirements. The Applicant wishes to mitigate the cost to the Respondents that will arise from any increase in the price of electricity and, in the current economic climate, such increase is likely to be considerable.

17. The Tribunal has taken into account the Applicant has engaged with the Respondents, explained what steps it proposed to take and no objections have been received.
18. The granting of dispensation does not affect the Respondents' rights to the challenge the reasonableness or the payability of the service charges under a separate application pursuant to section 27A of the Act once the proposed costs have been incurred.

J.E. Oliver
Tribunal Judge
20 October 2022

Rights of appeal

1. By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.
2. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission to appeal must be made to the First-tier Tribunal at the regional office which has been dealing with the case.
3. The application for permission to appeal must be arrive at the regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
4. If the application is not made within the 28 day time limit, such applications must include a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.
5. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the rounds of appeal and state the result the party making the application is seeking.
6. If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

Annex A – List of Respondents

Respondent	Property
Mr & Mrs Burgess	Apartment 01, The Folds, School Brow, Romiley, SK6 3FL
Mr & Mrs Sproson	Apartment 02, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 03, The Folds, School Brow, Romiley, SK6 3FL
Mrs Mee	Apartment 04, The Folds, School Brow, Romiley, SK6 3FL
Mrs Somerville	Apartment 05, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 06, The Folds, School Brow, Romiley, SK6 3FL
Mrs McKnight	Apartment 07, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 08, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 09, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 10, The Folds, School Brow, Romiley, SK6 3FL
Mrs Anderton	Apartment 11, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 12, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 14, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 15, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 16, The Folds, School Brow, Romiley, SK6 3FL
The Estate Of Mrs Douglas	Apartment 17, The Folds, School Brow, Romiley, SK6 3FL
Mr Smith	Apartment 18, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 19, The Folds, School Brow, Romiley, SK6 3FL
Mr & Mrs Green	Apartment 20, The Folds, School Brow, Romiley, SK6 3FL
Mrs Archer	Apartment 21, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 22, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 23, The Folds, School Brow, Romiley, SK6 3FL
Mrs White	Apartment 24, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 25, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 26, The Folds, School Brow, Romiley, SK6 3FL

Mr & Mrs Gowlar	Apartment 27, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 28, The Folds, School Brow, Romiley, SK6 3FL
Mrs Hibbert	Apartment 29, The Folds, School Brow, Romiley, SK6 3FL
Mrs Davey C/O Karen Hargreave	The Coach House, Dishforth Road, Asenby, Thirsk, N Yorks, YO7 3QL
Gladman Retirement Living (One) Limited	Apartment 31, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 32, The Folds, School Brow, Romiley, SK6 3FL
Mrs Oldham	Apartment 33, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 34, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 35, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 36, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 37, The Folds, School Brow, Romiley, SK6 3FL
Mr Stevenson	Apartment 38, The Folds, School Brow, Romiley, SK6 3FL
Mr & Mrs Jack	Apartment 39, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 40, The Folds, School Brow, Romiley, SK6 3FL
Mr Hunter	Apartment 41, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 42, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 43, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 44, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 45, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 46, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 47, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 48, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 49, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 50, The Folds, School Brow, Romiley, SK6 3FL
Gladman Retirement Living (One) Limited	Apartment 51, The Folds, School Brow, Romiley, SK6 3FL