



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

Case reference : **LON/00AY/LDC/2019/0092**

Property : **The leasehold properties within the
WATMOS Community Homes estates in
London SW16, SE5 and SE11 and in
Walsall as listed on the application.**

Applicant : **WATMOS Community Homes Ltd**

Representative :

Respondents : **The leaseholders named on the
application**

Representative :

Type of application : **For the dispensation of some of the
consultation requirements under s.20
Landlord and Tenant Act 1985**

Tribunal members : **Simon Brilliant
Richard Shaw FRICS**

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

Date of decision : **14 August 2019**

DECISION

Decision of the Tribunal

The Tribunal determines that those parts of the consultation requirements provided for by section 20 of the Landlord and Tenant Act 1985 ("the Act") which have not been complied with are to be dispensed with.

The application

1. The Applicant seeks a determination pursuant to s.20ZA of the Act for the dispensation of all or any of the consultation requirements provided for by section 20 of the Act. The application was dated 5 June 2019.
2. Directions of the Tribunal were issued on 19 June 2019.
3. The case was listed for a paper determination. No request had been made by any of the parties for an oral hearing.

The hearing

4. The matter was determined by way of a paper hearing which took place on 17 July 2019.

The background

5. The applicant ("WATMOS") is a housing association comprising of mixed tenure estates in London and Walsall. There are 1,2802 properties in London of which 348 are leasehold and 1,731 in Walsall of which 31 are leasehold. Since 2016, the Walsall properties have been joined to the Eastern Shires Purchasing Organisation ("ESPO") for the provision of gas and electricity for the communal services to the estates. No formal consultation took place at that time as most leaseholders were paying less than £100 pa towards the communal electricity supplies.
6. It is proposed that the London estates be added to the Framework Agreement from July 2019 as the individual contracts expire. The current ESPO Framework will not accept new entrants after July 2019 when it will start to prepare for re-procuring in 2020. The whole ESPO Framework will expire in 2020 and ESPO will carry out a new procurement exercise on behalf of all current Framework members to secure supplies to 2024. Administratively it would be practical to use the same Framework across all WATMOS' estates since WATMOS does not have the capacity or capability to achieve the benefits of the Framework Agreement itself without employing an expert at additional cost to act on its behalf.
7. The evidence adduced by WATMOS is that procurement of gas and electricity through a Framework Agreement with ESPO will result in a

substantial lowering of costs which will be of benefit to the leaseholders.

8. No notice was received from any of the respondents opposing the application.

Decision of the tribunal

9. Section 20 of the Act provides for the limitation of service charges in the event that the statutory consultation requirements are not met. The consultation requirements apply where the works are qualifying works (as in this case) and only £250 can be recovered from a tenant in respect of such works unless the consultation requirements have either been complied with or dispensed with.

10. Dispensation is dealt with by section 20ZA of the Act which provides:-

"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"

11. The Tribunal is satisfied that, in the particular circumstances of this case involving a substantial saving of costs, it is reasonable to dispense with the consultation requirements in respect of long term agreements for the supply of gas and electricity to replace existing contracts when they expire.
12. The Tribunal's determination is limited to this application for dispensation of consultation requirements under section 20ZA of the Act.

Name: Simon Brilliant

Date: 14 August 2019