



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

**Case references** : **CHI/24UF/LDC/2019/0019  
CHI/24UF/LIS/2019/0019**

**Property** : **Cleveland Place, Cleveland Road,  
Gosport, Hampshire PO12 2JG**

**Applicant** : **Sunset Red Limited**

**Representative** : **PainSmith Solicitors**

**Respondents** : **The lessees listed in the schedule to  
the application**

**Representative** : **In person**

**Type of application** : **To dispense with the requirement  
to consult leaseholders**

**Tribunal Member** : **Judge N Hawkes**

**Date of paper  
determination** : **28 May 2019**

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**DECISION**

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## **Decisions of the Tribunal**

- (1) The Tribunal determines, pursuant to section 20ZA of the Landlord and Tenant Act 1985, that it is reasonable to dispense with the statutory consultation requirements (insofar as they have not already been complied with) in respect of the work which forms the subject matter of the applicant's application dated 14 February 2019 ("the Work"). However, such dispensation is granted on terms that:
  - (i) The Applicant shall bear the costs of sending out any service charge demands and solicitor's letters relating to the Work which were sent out prior to the date of this determination.
  - (ii) The Applicant shall bear 50% of the Tribunal fees and legal costs of and occasioned by the application for dispensation.
- (2) The service charges claimed by the Applicant, in the total sum of £45,190.18 (to be apportioned in accordance with the terms of the Respondents' leases), are reasonable and payable.

## **Background**

1. There are two applications currently before the Tribunal. The Applicant has applied to the Tribunal under section 20ZA of the Landlord and Tenant Act 1985 ("the 1985 Act") for dispensation from the consultation requirements contained in section 20 of the 1985 Act in respect of certain qualifying works ("the Work") to Cleveland Place, Cleveland Road, Gosport, Hampshire PO12 2JG ("the Building").
2. The Applicant also seeks a determination pursuant to section 27A of the 1985 Act concerning the liability to pay and the reasonableness of the proposed service charge in respect of the Work.
3. The Tribunal has been informed that the Building comprises a three-storey block containing ten residential flats and that the Applicant purchased the freehold interest in the Building by a transfer dated 2 February 2018.
4. The applications are both dated 14 February 2019 and the Applicant has requested a paper determination. Directions of the Tribunal have been issued which are dated 12 March 2019.
5. Paragraph 4 of the Directions dated 12 March 2019 provides that the applications are to be determined on the papers without a hearing, unless any party objects in writing to the Tribunal within 28 days of the date of receipt of the Directions.

6. The Tribunal has received two reply forms in which, in response to the statement “I/We agree that the Tribunal may decide the matter on the basis of written representations only (no hearing)”, contain a tick which straddles both the “Yes” and the “No” boxes. Having regard to the fact that, in both cases, (i) the Respondents have confirmed that they agree with the application and (ii) the tick originates in the “Yes” box, the Tribunal does not consider that any Respondent has made an application for an oral hearing.
7. These applications have therefore been determined by the Tribunal by way of a paper determination on 28 May 2019.
8. The Work was completed prior to the issue of these applications. No party requested an inspection of the Building and the Tribunal did not consider an inspection to be necessary.

### **The Applicant’s case**

9. The Applicant’s case is as follows. On 29 June 2018, an area of render and brickwork came away from the first floor front elevation of the Building and fell onto the public pavement and roadway below.
10. Emergency scaffolding was erected and the Applicant states:

*“...the cause was ascertained to be due to water ingress having rotted wooden battens and wire mesh causing the render and brickwork to come away from the building. The building had previously been over rendered and the additional weight was also a contributing factor.”*
11. An insurance claim was made but the insurers declined to provide cover. The Applicant states that it was unable to fully comply with the statutory consultation requirements because the defects presented a health and safety risk to the residents of the Building and to the general public (the Building abuts a highway). It was therefore necessary to carry out emergency work as a matter of urgency.
12. The consultation requirements are set out in the Service Charges (Consultation Requirements) (England) Regulations 2003. Regard should be had to the express wording of these regulations. However, in summary:
  - a. The landlord serves a “notice of intention” on all tenants and any recognised tenants’ association describing the proposed works.
  - b. The tenants or recognised tenants’ association then have 30 days to make observations as to the works proposed and to nominate a person or persons from whom the landlord should try to obtain an estimate for the carrying out of the proposed works.
  - c. The landlord then obtains a minimum of two estimates. The landlord must try to obtain an estimate from one and in some cases two of the tenants’ nominees, at least one estimate must be from a contractor wholly unconnected with the landlord.

- d. The landlord serves on all tenants and any recognised tenants' association a "paragraph (b) statement" free of charge summarising at least two of the estimates, setting out any observations received and the landlord's response to observations. All estimates should be made available for inspection.
  - e. At the same time, the landlord should make the estimates available to all tenants and any recognised tenants' association, inviting observations on the estimates and the tenants or recognised tenants' association have 30 days to respond.
  - f. The landlord is obliged to consider the observations but is otherwise free to enter into a contract for the carrying out of the works, if the landlord contracts either with a person nominated by the tenants or recognised tenants' association or with the person who supplied the lowest estimate.
  - g. Otherwise, the landlord must within 21 days of entering into the contract serve notice on the tenants or recognised tenants' association stating the landlord's reasons for awarding the contract, setting out observations received, and the landlord's response to those observations.
13. The Tribunal has been provided with copies of correspondence (some of which is undated) which the Applicant's managing agents sent to leaseholders as evidence of the nature of the consultation which the Applicant carried out.

14. The lessees were, in the initial correspondence, informed of the defective render and the falling debris and it was stated:

*"As there is a risk that this may happen to other areas of the building we have arranged for emergency scaffolding to be erected on Tuesday 2<sup>nd</sup> July as this will catch any falling debris. A surveyor will be inspecting the property to assess the damage and report on the cause and recommended repairs."*

15. A further letter which refers to a communication of 2<sup>nd</sup> July 2018 (and must therefore have been sent out on or after that date) included statements that:

*"With scaffolding already in place and hire costs ongoing, the Freeholder has decided to instruct the repair to the whole over rendered area as this will be the most cost effective way forward. We should proceed with the work as quickly as possible as the longer we leave it, the higher the scaffold costs. The scaffold cannot be removed until the building is considered safe again. These works are required to ensure the exterior of the building is watertight and safe.*

...

*For the tender process, the surveyor will select two local contractors from their list of approved contractors and you have the opportunity to nominate a contractor of your choice. If you have a contractor you*

*would like to nominate, please send us their details no later than Friday 20<sup>th</sup> July so that they can be included. The tender process will start on Monday 23<sup>rd</sup> July with a two week quotation period. ...”*

16. After the lessees had been informed that the block insurance company had declined to accept an insurance claim, a further letter was sent to the lessees stating:

*“Further to our email of 16<sup>th</sup> July please find attached the specification of works relating to the render repair.*

*For the tender process, the surveyor will select two local contractors from their list of approved contractors. We did not receive any contractor nominations from Leaseholders. The tender process has been reduced to a two week quotation period due to the urgency of the repairs. We will be in touch again at the end of this period to advise which contractor the Freeholder will be proceeding with and the lead time/commencement date.”*

17. The Applicant’s managing agents instructed Day Associates (New Forest) Limited (“Day Associates”) who reported on 11 July 2018 and who subsequently produced a specification and a tender report dated 24 August 2018. The Tribunal has been informed that Day Associates are independent surveyors who were appointed by the Applicant to oversee the specification and tendering process in order to try and ensure that “best value” was obtained.
18. Further correspondence informed the lessees of the chosen contractor, the proposed cost of the work, and the commencement date. It is common ground that the process which has been followed by the Applicant does not comply with the statutory consultation requirements and that, in particular, time periods have been shortened.
19. The Applicant submits that the Respondents have not been prejudiced by its failure to fully comply with the statutory consultation requirements and that dispensation should therefore be granted.
20. The Applicant states that the Respondents appear to accept that it was necessary to undertake the Work and that a reasonable charge for the Work is payable pursuant to the terms of their leases.
21. As regards the reasonableness of the cost of the Work, the Applicant states that no alternative quotations have been submitted by the Respondents and that an independent surveyor specified the Work, oversaw an arm’s length competitive tender process, and recommended the contractor who carried out the Work (who was the contractor who had provided the most competitive tender).
22. Accordingly, the Applicant invites the Tribunal to find that the cost of the Work is both reasonable and payable pursuant to the terms of the Respondents’ leases.

23. The Applicants state that the total cost to date of the major work amounts to £44,421.18, which includes the surveyor's fees and the initial works which were undertaken in order to make the Building safe. A retention of £769 (including VAT) will fall due for payment in November 2019.

### **The Respondents' case**

24. The Tribunal has received statements from Susan Day, Mike Conrath, Marie Lochrane and Jonathan Rooke. These statements, which have been carefully considered in their entirety, are summarised below.

25. Ms Day notes that the Applicant and its managing agents have not strictly complied with the statutory consultation requirements. She states they have also failed to comply with a request dated 11 October 2018 to provide her with a copy of a decision on the part of the Tribunal granting the Applicant dispensation from these requirements.

26. Ms Day submits that the costs of the applications which are before the Tribunal, including any legal fees which have been incurred, should be borne by the Applicant. She submits that the applications have come about through the failure of the Applicant's agents to strictly comply with the statutory consultation requirements and that the lessees had no control over the matter.

27. Ms Day states that the Applicant knew as early as 2 July 2018 that it would be unlikely to be able to comply with the consultation requirements but that it did not issue an application for dispensation until 12 March 2019.

28. Ms Day has informed the Tribunal that, by her letter of 11 October 2018, she agreed to pay the sum of £250 (the sum which is payable if the consultation requirements have neither been complied with nor dispensed with).

29. She states that she has received no substantive response to this letter from either the Applicant or the Applicant's managing agents but instead has received demands to pay interim service charges in the sum of £4,000, late payment charges, and a letter from Dutton Gregory solicitors threatening court action.

30. Ms Day explains that she did not receive letters from the managing agents relating to the Works until 28 August 2018. This is significantly later than the deadline of 20 July 2018 which the Applicants gave for the leaseholders to inspect the damage to the Building and to nominate their own contractors.

31. As regards the failure of correspondence to reach her, Ms Day states:

*“I note from the Bundle of evidence from PainSmith, a letter from PLBM [9] was supposedly sent to me at my correct correspondence address, issued 4<sup>th</sup> August 2018, and another letter dated 24<sup>th</sup> July 2018 [10], yet I did not inform them of these details until 28<sup>th</sup> August 2018 [7]. Either these letters have been changed at a later date or they must have had the correct correspondence address in the first place.”*

32. Ms Day explains that delay was caused by correspondence being sent to a previous address rather than to her current address. She states that her current address known to the previous landlord and she assumes that this address would have been provided to the Applicant on completion of the purchase.
33. Ms Day states that the Applicant’s failure to comply with the statutory consultation requirements has prejudiced her because she has been denied the opportunity to inspect the damage to the Building and to nominate a contractor. She states that it is most likely that she would have obtained a quotation which would have been “far less” than the sum charged by the contractors used by the Applicant but that this is difficult to prove in hindsight.
34. Ms Day also takes issues with various matters concerning the sale of the freehold interest in the Building to the Applicant, annual service charges and proposed future work to the roof of the Building. She states that the leaseholders intend to set up a Right to Manage Company. These are not matters which are currently before this Tribunal.
35. Ms Day suspects that the purchase price of the freehold interest in the Building was reduced to reflect the existence of structural defects and she argues that the Applicant “should not seek to be recompensed for the cost of these repairs from the leaseholders in addition to a reduction in the purchase price.”
36. In his written statement, Mr Conrath raises issues concerning the Right to Manage, routine maintenance and other service charges which are not currently before the Tribunal.
37. Mr Conrath states that he made the managing agents aware, through many telephone conversations, that he has substantial contacts in the building trade. He is of the view that Starvale Developments Limited, the builders who converted the block in 2015, would have been able to carry out the necessary work. He believes that another leaseholder submitted an alternative quotation by email and that the email address was unmonitored.
38. Mr Conrath states that the contractors who were used by the Applicant are not local and that they would therefore have incurred additional travelling costs, and possibly also accommodation costs. He states that £5,406 has been charged in respect of scaffolding hire whereas he has obtained a quotation for only £1,650. However, no copy of the

quotation has been provided and it appears from this statement that the quotation only covered one element of the Work.

39. By a reply form dated 23 April 2019, Ms Lochrane and Mr Rooke consented to the application. In their written statement, they make reference to matters concerning the conversion of the Building by a developer and former freeholder; the sale of the freehold interest in the Building to the Applicant; the Right to Manage; and the condition of the intercom system. These are not matters which are currently before this Tribunal.

40. Ms Lochrane states:

*“When the rendering fell off the building it was me who informed PLBM, leaving a message on an answer phone, and scaffolding was in place quite quickly, but no further communication was received, sometime later I was looking in my ‘junk mail’ and discovered emails from PLBM to which I replied but did not initially receive the office reply that informs that even though PLBM email from that account, it was not monitored frequently in relation to replies!! I did send to that account the name of local builders, but it would not have been viewed, and only when we were instructed that 3 builders’ quotes were in, did we found out the inactivity of the email account.*

*This process was new to us as we had been used to contacting David B via telephone. You will see from the correspondence in the bundle, to leaseholders from PLBM, that they are undated emails copies and no hard copy notifications were sent and I do not consider that I was informed properly in accordance with S20 and S20XA*

*When the quotes were received, they seem high and many of the leaseholders complained and received other quotes from local suppliers which were very much lower than PLBM, to the same spec. Most notably the scaffolding costs were 3 time[s] more than local firms were quoting and have substantially gone up even more due to the duration at the property.*

....

*We request that the costs of these dispensation applications through the courts, and any legal fees incurred, be borne by the freeholder.”*

## **The Tribunal’s determinations**

### ***The application pursuant to section 27A of the 1985 Act***

41. The application pursuant to section 27A of the 1985 Act concerns the reasonableness and payability of the cost of the Work, if dispensation from the statutory consultation requirements is granted.



42. The Tribunal has granted dispensation from the statutory consultation requirements on terms, for the reasons set out below.
43. The Respondents do not dispute that reasonable charges for the Work are payable under the terms of their leases.
44. The Tribunal has been provided with a specimen lease and notes that, by paragraph 2 of Schedule 4, the tenant covenants to pay the landlord the Service Charge demanded by the Landlord under paragraph 4 of Schedule 6 of the lease. At page 5, Service Charge is defined as the tenant's proportion of the Service Costs.
45. The Service Costs include all of the costs reasonably and properly incurred or reasonably and properly estimated by the landlord to be incurred of providing the Services (page 5). The Services include "cleaning, maintaining, decorating, repairing and replacing the Retained Parts and remedying any inherent defect" (page 6). The Retained parts include the main structure of the Building and all external decorative surfaces (page 5).
46. The application under section 27A of the 1985 Act is challenged on the basis that the costs claimed by the Applicant are unreasonably high. Ms Day also seeks to challenge the service charge costs on the grounds that, in her view, the Applicant is likely to have purchased the Building at a reduced sale price.
47. The Applicant relies upon evidence that an independent surveyor specified the Work, oversaw an arm's length competitive tender process, and recommended the contractor who carried out the Work (who was the contractor who provided the most competitive tender).
48. The Respondents are bound by the terms of their leases, which do not provide for a reduction in the service charge in the event that the freehold interest in the Building is sold at a reduced price. In any event, there is no clear evidence before the Tribunal establishing the basis on which the price of the freehold interest was negotiated. Accordingly, the Tribunal is satisfied that it cannot have regard to the sale price of the freehold interest in the Building in determining this application.
49. The Applicant has disclosed the specification for the Work. The Respondents have not, however, provided the Tribunal with any like for like quotations (or indeed any written quotations) in support of the contention that the cost of the Work falls outside a reasonable range and is therefore unreasonably high.
50. The Tribunal must determine this application on the evidence which is before it. On the basis of the evidence which is available (in particular the evidence demonstrating that an arm's length competitive tender process took place and the absence of any written, like for like alternative quotations), the Tribunal finds that the service charges claimed by the Applicant are reasonable and payable.

51. The service charges claimed by the Applicant total £45,190.18 (see paragraph 23 above) and are to be apportioned in accordance with the terms of the Respondents' leases.

***The application pursuant to section 20ZA of the 1985 Act***

52. In determining the application for dispensation from the statutory consultation requirements, the Tribunal has had regard to *Daejan Investments Ltd v Benson and others [2013] UKSC 14*.

53. Section 20 of the 1985 Act provides for the limitation of service charges in the event that statutory consultation requirements are not met.

54. The consultation requirements apply where the works are qualifying works (as is the case in this instance) 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.

55. As stated above, the consultation requirements are set out in the Service Charges (Consultation Requirements) (England) Regulations 2003.

56. Section 20ZA of the 1985 Act provides that, where an application is made to the Tribunal for a determination to dispense with all or any of the consultation requirements in relation to any qualifying works, the Tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.

57. The Applicant's assertion that work to remedy the problem of falling render had to be undertaken, as a matter of urgency, for health and safety reasons, has not been disputed. Further, the Applicant's assertion that there was a need to carry out the remainder of the Work, and that it was most cost effective to do so when the scaffolding was still in place, has also not been subject to challenge. The Tribunal accepts the Applicant's case in this regard.

58. The application is challenged on the basis that prejudice was caused to the Respondents as a result of the Applicant's failure to fully comply with the statutory consultation requirements because they had insufficient time in which to nominate contractors and, as a result, the cost of the Work is said to be too high. Further, it is asserted that the Applicant should bear the costs of the application for dispensation.

59. The Tribunal is satisfied that the health and safety risk which resulted in the failure to comply with the statutory consultation requirements was a matter outside the Applicant's control. Further, having found that the cost of the Work is reasonable, the Tribunal is not satisfied that the Respondents suffered any significant prejudice as a result of the Applicant's failure to carry out a full statutory consultation.

60. However, the Tribunal accepts Ms Day's case that she should not have been sent demands requiring her to pay a greater sum than £250 at a time when she disputed the charges and when dispensation from the statutory consultation requirements had not yet been granted by the Tribunal. The Applicant has confirmed that "any administration costs added to any of the Respondents accounts prior to these two applications will be withdrawn".
61. Further, the Tribunal considers that the sending out of demands for sums which were not yet payable, the delay until February 2019 in issuing this application for dispensation (which has not been explained) and communication difficulties complained of by certain of the Respondents has led to confusion. The Tribunal finds that this confusion is, in part, the reason why some of the Respondents have opposed the application for dispensation and that it is likely to have increased the costs of the dispensation application.
62. In all the circumstances, the Tribunal determines, pursuant to section 20ZA of the Landlord and Tenant Act 1985, that it is reasonable to dispense with the statutory consultation requirements (insofar as they have not already been complied with) in respect of the work which forms the subject matter of the applicant's application dated 14 February 2019. However, such dispensation is granted on terms that:
- (iii) The Applicant shall bear the costs of sending out any service charge demands and solicitor's letters relating to the Work which were sent out prior to the date of this determination.
  - (iv) The Applicant shall bear 50% of the Tribunal fees and legal costs of and occasioned by the application for dispensation.
63. The Tribunal makes no finding as to whether the Tribunal fees and legal costs are otherwise payable pursuant to terms of the Respondents' leases because it has not received argument on this issue.

Judge Hawkes

Date 28 May 2019

#### **ANNEX - RIGHTS OF APPEAL**

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.

2. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. If the application is not made within the 28 day time limit, such application 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.
4. 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 grounds of appeal, and state the result the party making the application is seeking.

## **Appendix of relevant legislation**

### **Landlord and Tenant Act 1985 (as amended)**

#### **Section 18**

- (1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent -
  - (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
  - (b) the whole or part of which varies or may vary according to the relevant costs.
- (2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.
- (3) For this purpose -
  - (a) "costs" includes overheads, and
  - (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

#### **Section 19**

- (1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period -
  - (a) only to the extent that they are reasonably incurred, and
  - (b) where they are incurred on the provisions of services or the carrying out of works, only if the services or works are of a reasonable standard;and the amount payable shall be limited accordingly.
- (2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

#### **Section 27A**

- (1) An application may be made to the appropriate 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 the appropriate 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) 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**

### 20ZA Consultation requirements: supplementary

- (1) Where an application is made to the appropriate 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.