



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

Case Reference : CHI/29UG/LDC/2023/0004

Property : 34 Harmer Street, Gravesend, Kent DA12
2AX

Applicant : Southern Land Securities Ltd

Representative : Together Property Management Ltd

Respondents : Miss A B Kerridge (Flat A)
Mr A Kane & Ms C Togher (Flat B)
The Newby Organisation Limited (Flat C)

Representative :

Type of Application : To dispense with the requirement to
consult lessees about major works
section 20ZA of the Landlord and Tenant
Act 1985

Tribunal Member(s) : Judge Tildesley OBE

**Date and Venue of
Hearing** : Determination on Papers

Date of Decision : 23 March 2023

DECISION

The Application

1. The Applicant seeks dispensation under Section 20ZA of the Landlord and Tenant Act 1985 from the consultation requirements imposed on the Landlord by Section 20 of the 1985 Act. A signed copy of the application was received on 24 January 2023.
2. The property is described as a Georgian terrace which in 1986 was converted into three self contained flats.
3. The Applicant explained that works had been carried out by its electrical contractor to the electrical wiring and lighting in the communal hallway in October 2022. The works were necessary because there was no power to the electric sockets. The contractor supplied an Electrical Installation Certificate on completion of the works.
4. The Applicant sought dispensation because the costs of the works had unexpectedly exceeded the threshold for engaging the consultation requirements. The costs of the works were £295.80 for the lighting and £608.40 for the electrical wiring which made a total of £904.50 some £154.50 above the threshold of £750. The Applicant stated that the works went over budget so that the leaseholders could have lighting in the communal hallways.
5. The Applicant said that although it had not embarked on formal consultation it had written to the leaseholders to advise them of the need for the works and that it would be making an application to the Tribunal to dispense with the consultation requirements. The Applicant said that it had received no objections from the leaseholders.
6. On 1 February 2023 the Tribunal directed the application to be heard on the papers unless a party objected within 14 days. Further the Applicant was required to serve the application and directions on the Respondents. On 7 February 2023 the Applicant confirmed that it had provided the Respondents with the application and directions.
7. The Tribunal required the Respondents to return a pro-forma to the Tribunal and to the Applicant by 17 February 2023 indicating whether they agreed or disagreed with the Application. The Tribunal received a response from Ms Kerridge of Flat A who agreed with the Application.

Determination

8. The 1985 Act provides leaseholders with safeguards in respect of the recovery of the landlord's costs in connection with qualifying works. Section 19 ensures that the landlord can only recover those costs that are reasonably incurred on works that are carried out to a reasonable standard. Section 20 requires the landlord to consult with leaseholders in a prescribed manner about the qualifying works. If the landlord fails

to do this, a leaseholder's contribution is limited to £250, unless the Tribunal dispenses with the requirement to consult.

9. In this case the Tribunal's decision is confined to the dispensation from the consultation requirements in respect of the works under section 20ZA of the 1985 Act. The Tribunal is not making a determination on whether the costs of those works are reasonable or payable. If a leaseholder wishes to challenge the reasonableness of those costs, then a separate application under section 27A of the Landlord and Tenant Act 1985 would have to be made.
10. Section 20ZA does not elaborate on the circumstances in which it might be reasonable to dispense with the consultation requirements. On the face of the wording, the Tribunal is given a broad discretion on whether to grant or refuse dispensation. The discretion, however, must be exercised in the context of the legal safeguards given to the Applicant under sections 19 and 20 of the 1985 Act. This was the conclusion of the Supreme Court in *Daejan Investments Ltd v Benson and Others* [2013] UKSC 14 & 54 which decided that the Tribunal should focus on the issue of prejudice to the tenant in respect of the statutory safeguards.
11. Lord Neuberger in *Daejan* said at paragraph 44

“Given that the purpose of the Requirements is to ensure that the tenants are protected from (i) paying for inappropriate works or (ii) paying more than would be appropriate, it seems to me that the issue on which the LVT should focus when entertaining an application by a landlord under s 20ZA(1) must be the extent, if any, to which the tenants were prejudiced in either respect by the failure of the landlord to comply with the Requirements”.
12. Thus, the correct approach to an application for dispensation is for the Tribunal to decide whether and if so to what extent the leaseholders would suffer relevant prejudice if unconditional dispensation was granted. The factual burden is on the leaseholders to identify any relevant prejudice which they claim they might have suffered. If the leaseholders show a creditable case for prejudice, the Tribunal should look to the landlord to rebut it, failing which it should, in the absence of good reason to the contrary, require the landlord to reduce the amount claimed as service charges to compensate the leaseholders fully for that prejudice.
13. The Tribunal now turns to the facts. The Tribunal is satisfied that the Applicant had not expected to cross the threshold when embarking on the repairs to the electrical wiring in the communal hallway. The Tribunal accepts that it made sense to carry out improvements to the lighting at the same time as the works to the electrical wiring. The Tribunal notes that no leaseholder has objected to the works.
14. The Tribunal is, therefore, satisfied that the leaseholders would suffer no relevant prejudice if dispensation from consultation was granted.

Decision

15. **The Tribunal grants an order dispensing with the consultation requirements in respect of the works to the electrical wiring and lighting in the communal hallway.**
16. The Tribunal directs the Applicant to supply a copy of the decision to the leaseholders and confirm that it has served the decision on them.

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.