



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

Case Reference	: CHI/00HY/LDC/2023/0130
Property	: Apartment 1-16 Purcell's Court, George Lane, Marlborough, Wiltshire SN8 4BS
Applicant	: Purcell's Court Management Company Limited
Representative	: Warwick Estates Management Limited
Respondent	: The Leaseholders
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	: D Banfield FRICS, Regional Surveyor
Date of Decision	: 19 December 2023

DECISION

The Tribunal grants dispensation from the consultation requirements of S.20 Landlord and Tenant Act 1985 in respect of the extension to the car park to create 3 additional parking spaces.

The dispensation is subject to none of the costs of making the S.20ZA application shall be recovered from the Lessees by way of service charge.

In granting dispensation, the Tribunal makes no determination as to whether any service charge costs are reasonable or payable.

The Applicant must send copies of this determination to the lessees.

Background

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. This retrospective application was received on 19 October 2023.

2. The property is described as,

A purpose built block of flats for leaseholders who are above 55 years and over.

3. The works are described as,

The extension of the car park at Purcells Court, by laying a tarmacadam surface on a grass area giving an additional 3 parking spaces, have been tendered by the Directors of the RMC and ourselves. They were instructed to proceed whilst the Property Manager was on annual leave. No purchase order was given as we had been awaiting final confirmation of the contractors credentials. The work has now been complete and the invoice is now becoming payable.

The section 20 Notice Of Intention To Carry Out Work In Accordance With Section 20 (as Amended) And Section 20ZA Of The Landlord & Tenant Act 1985 was sent to the leaseholders dated the 31st May. the two quotes were sourced by the Directors and a Notice of estimates to carry out works was created in August, but not delivered [sic] yet.

The works have proceeded and we will now incur and invoice which exceed the threshold.

4. The Applicant explains that the works are urgent,

Because we would like to pay for the works that were started

5. The Tribunal made Directions on 14 November 2023 which it required the Applicant to send to the Lessees together with a form for them to indicate to the Tribunal whether they agreed with or opposed the application and whether they requested an oral hearing. If the Leaseholders agreed with the application or failed to return the form they would be removed as a Respondent although they would remain bound by the Tribunal's Decision.

6. The Applicant confirmed that the Directions had been served and subsequently that they had received no objections. The Tribunal received responses from two Lessee both of whom made no objection. There were no requests for an oral hearing and the matter is therefore determined on the papers in accordance with Rule 31 of the Tribunal's Procedural Rules.

7. Before making this determination, the papers received were examined to determine whether the issues remained capable of determination without an oral hearing and it was decided that they were, given that the application remained unchallenged.

The Law

8. The relevant section of the Act reads as follows:

S.20 ZA Consultation requirements:

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.

9. The matter was examined in some detail by the Supreme Court in the case of *Daejan Investments Ltd v Benson*. In summary the Supreme Court noted the following.
 - a. The main question for the Tribunal when considering how to exercise its jurisdiction in accordance with section 20ZA is the real prejudice to the tenants flowing from the landlord's breach of the consultation requirements.
 - b. The financial consequence to the landlord of not granting a dispensation is not a relevant factor. The nature of the landlord is not a relevant factor.
 - c. Dispensation should not be refused solely because the landlord seriously breached, or departed from, the consultation requirements.
 - d. The Tribunal has power to grant a dispensation as it thinks fit, provided that any terms are appropriate.
 - e. The Tribunal has power to impose a condition that the landlord pays the tenants' reasonable costs (including surveyor and/or legal fees) incurred in connection with the landlord's application under section 20ZA (1).
 - f. The legal burden of proof in relation to dispensation applications is on the landlord. The factual burden of identifying some "relevant" prejudice that they would or might have suffered is on the tenants.
 - g. The court considered that "relevant" prejudice should be given a narrow definition; it means whether non-compliance with the consultation requirements has led the landlord to incur costs in an unreasonable amount or to incur them in the provision of services, or in the carrying out of works, which fell below a reasonable standard, in other words whether the non-compliance has in that sense caused prejudice to the tenant.

- h. The more serious and/or deliberate the landlord's failure, the more readily a Tribunal would be likely to accept that the tenants had suffered prejudice.
- i. Once the tenants had shown a credible case for prejudice, the Tribunal should look to the landlord to rebut it.

Evidence

- 10. The Applicant's case is set out in paragraphs 2 to 4 above.

Determination

- 11. Dispensation from the consultation requirements of S.20 of the Act may be given where the Tribunal is satisfied that it is reasonable to dispense with those requirements. Guidance on how such power may be exercised is provided by the leading case of Daejan v Benson referred to above.
- 12. The Tribunal is surprised that having started the S.20 consultation procedure the Applicant failed to serve the Notice of Estimates. However we are told that the contract was tendered although whether competitive quotations were obtained is not disclosed.
- 13. Despite the Tribunal's concerns referred to in the above section all of the Lessees have had the opportunity to object to the Application and none have chosen to do so.
- 14. In these circumstances, no objections having been received from the lessees the Tribunal is prepared to grant conditional dispensation.
- 15. **The Tribunal therefore grants dispensation from the consultation requirements of S.20 Landlord and Tenant Act 1985 in respect of the extension to the car park to create 3 additional parking spaces.**
- 16. **The dispensation is subject to none of the costs of making the S.20ZA application shall be recovered from the Lessees by way of service charge.**
- 17. In granting dispensation, the Tribunal makes no determination as to whether any service charge costs are reasonable or payable.
- 18. The Applicant must send copies of this determination to the lessees.

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.