



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

Case Reference : CHI/21UD/LDC/2023/0158

Property : Adelaide House, 23 Grand Parade, St Leonards On Sea, East Sussex, TN37 6DN

Applicant : Adelaide House Freehold Limited

Representative : Austin Rees Ltd

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 : 3 January 2024

DECISION

The Tribunal grants dispensation from the consultation requirements of S.20 Landlord and Tenant Act 1985 in respect of the replacement of the fire escape, additional render and extended scaffolding hire.

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

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. The application was received on 24 November 2023.
2. The property is described as “a Grade II listed converted block of 11 residential units. The Freehold is now Owned by Adelaide House Freehold LTD, with each of the 11 units having a share of the freehold.”
3. The Applicant explains that,

“External redecoration and repair works to all elevations of the property is in the process of taking place, with full Section 20 Consultation having taken place already. The Consultation process concluded in April 2023 and the works commenced in June 2023. At this stage the cost of replacing the fire escape was based on a quote received to replace on a "like for like" basis. However, Listed Building Consent was not granted to replace "like for like" and amendments to the design were required. These included increasing the size and height (for safety and residential amenity), as well as to paint it black to be in keeping with the listed status. Planning permission for a revised design was granted in October 2023, revised quotes had increased the costs by approximately £90,000 and therefore the previously concluded (sic) for amount is now insufficient.

In addition to the change in scale for the fire escape, there have also been increases in the quantity of render which requires replacement. As with the fire escape, the estimated render repairs were specified prior to the works commencing and have found to be far greater than originally anticipated.

Additional scaffolding hire charges will continue to apply until the works can be completed and the Landlord therefore seeks dispensation for the need to consult to avoid unnecessary charges being levied with the leaseholders.”

Further information is provided on the application form.

4. The Tribunal made Directions on 29 November 2023 which required the Applicant to send it 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.
5. Eight responses were received all agreeing to the application and no requests for an oral hearing were made. The matter is therefore determined on the papers in accordance with Rule 31 of the Tribunal’s Procedural Rules.

6. 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

7. 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.

8. 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

9. The Applicant's case is set out in paragraphs 2 and 3 above.

Determination

10. 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.
11. No objections have been received from the lessees and in these circumstances I am prepared to grant conditional dispensation.
12. **The Tribunal therefore grants dispensation from the consultation requirements of S.20 Landlord and Tenant Act 1985 in respect of the replacement of the fire escape, additional render and extended scaffolding hire.**
13. In granting dispensation, the Tribunal makes no determination as to whether any service charge costs are reasonable or payable.
14. The Applicant must send copies of this determination to the lessees.

D Banfield FRICS
3 January 2024

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.