



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

Case Reference : CHI/00HP/LDC/2024/0089/
Property : Golden Sands, 21-23 Brownsea Road,
Poole, Dorset, BH13 7QW
Applicant : Golden Sands Management Limited
Representative : Napier Management Services 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 : Judge N Jutton
Date of Determination : 12 June 2024

DECISION

Summary of the Decision

- 1. The Applicant is granted dispensation under Section 20ZA of the Landlord and Tenant Act 1985 from the consultation requirements in respect of works to replace 3 guide shoe liners to the lift at the Property.**

The application and the history of the case

2. The Applicant applies for 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 seeks dispensation from consultation in respect of works to replace three guide shoe liners to the lift at the Property. The Applicant explains that the Property is a 1960s purpose built block of 9 residential flats of which 6 lessees (flats 4-9) contribute to the cost of maintaining the lift at the Property. The Applicant says that pending the repair work the lift is out of action which in turn causes problems for the lessees who rely upon it. The Applicant seeks dispensation from the consultation requirements to avoid delay in getting the lift back up and running.
3. The Tribunal made Directions on 20 May 2024, explaining that the only issue for the Tribunal is whether, or not, it is reasonable to dispense with the statutory consultation requirements and not the question of whether any service charge costs are reasonable or payable.
4. The Directions provided that any party who objected should complete a pro forma which was attached to the same. No objections have been received.

The Law

5. Section 20 of the Landlord and Tenant Act 1985 (“the Act”) and the related Regulations provide that where the lessor intends to undertake major works with a cost of more than £250 per lease in any one service charge year the relevant contribution of each lessee (jointly where more than one under any given lease) will be limited to that sum unless the required consultations have been undertaken or the requirement has been dispensed with by the Tribunal. An application may be made retrospectively.
6. Section 20ZA provides that on an application to dispense with any or all of the consultation requirements, the Tribunal may make a determination granting such dispensation “if satisfied that it is reasonable to dispense with the requirements”.
7. The appropriate approach to be taken by the Tribunal in the exercise of its discretion was considered by the Supreme Court in the case of *Daejan Investment Limited v Benson et al* [2013] UKSC 14.

8. The leading judgment of Lord Neuberger explained that a tribunal should focus on the question of whether the lessee will be or had been prejudiced in either paying where that was not appropriate or in paying more than appropriate because the failure of the lessor to comply with the regulations. The requirements were held to give practical effect to those two objectives and were “a means to an end, not an end in themselves”.
9. The factual burden of demonstrating prejudice falls on the lessee. The lessee must identify what would have been said if able to engage in a consultation process. If the lessee advances a credible case for having been prejudiced, the lessor must rebut it. The Tribunal should be sympathetic to the lessee(s).
10. Where the extent, quality and cost of the works were in no way affected by the lessor’s failure to comply, Lord Neuberger said as follows:

“I find it hard to see why the dispensation should not be granted (at least in the absence of some very good reason): in such a case the tenants would be in precisely the position that the legislation intended them to be- i.e. as if the requirements had been complied with.”
11. The “main, indeed normally, the sole question”, as described by Lord Neuberger, for the Tribunal to determine is therefore whether, or not, the Lessee will be or has been caused relevant prejudice by a failure of the Applicant to undertake the consultation prior to the major works and so whether dispensation in respect of that should be granted.
12. The question is one of the reasonableness of dispensing with the process of consultation provided for in the Act, not one of the reasonableness of the charges of works arising or which have arisen.
13. If dispensation is granted, that may be on terms.
14. The effect of Daejan has been considered by the Upper Tribunal in *Aster Communities v Kerry Chapman and Others* [2020] UKUT 177 (LC), although that decision primarily dealt with the imposition of conditions when granting dispensation and that the ability of lessees to challenge the reasonableness of service charges claimed was not an answer to an argument of prejudice arising from a failure to consult.

Decision

15. Golden Sands, 21–2 Brownsea Road, Poole, Dorset BH13 7QW is a purpose built block of nine residential flats. There is a single lift at the Property. The Tribunal is told that the lessees of flats 4–9 inclusive contribute to the cost of the lift maintenance as part of the service charge payable by them. The Applicant says that the lift is currently out

of action and that in turn causes problems for the lessees who rely upon it. That the necessary works of repair required to the lift are the replacement of three guide shoe liners. The Applicant says that the work is required urgently because of the reliance of certain residents on the lift. That if the Applicant were to follow the consultation requirements of section 20 of the Landlord and Tenant Act 1985 there would be delay in getting the lift back up and running.

16. No leaseholder has objected to the application.
17. In my judgment it is just and equitable to grant dispensation to the Applicant for the works to replace three guide shoe liners to the lift at the Property (the Works). Delay in carrying out the Works would no doubt cause inconvenience and possibly difficulties to those lessees and their visitors who rely upon the lift to gain access to and from their flats. I am satisfied that consultation should be dispensed with.
18. In reaching my decision I have taken account of the fact that no party has objected to the application. The leaseholders have had opportunity to raise any objection and they have not done so. I do however **Direct** that the dispensation is conditional upon the Applicant or their agent sending a copy of this decision to all the leaseholders so that they are aware of the same.
19. For completeness I confirm that this decision is confined to a determination of the issue of dispensation from the consultation requirements in respect of the Works. The Tribunal has made no determination on whether the cost of the Works are payable as a service charge or are reasonable. If a lessee wishes to challenge the payability or reasonableness of those costs as service charges, then a separate application under section 27A of the Landlord and Tenant Act 1985 would have to be made.

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 to the First-tier Tribunal at rpsouthern@justice.gov.uk being 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

