

FIRST-TIER TRIBUNAL

PROPERTY CHAMBER (RESIDENTIAL

PROPERTY)

Case Reference : LON/00BD/LDC/2024/0141

Property: 41 Percy Road, Hampton TW12

Applicant : Sloggett Group Limited

The leaseholders of the flats within the

Respondents : property

Mr Vincent Kellett

Type of Application under section 20ZA to

Application : dispense with consultation

requirements for a scheme of Major

work

Tribunal Members : Judge Daley

Mr S Wheeler MCIEH CEnvH

Date and venue of

Paper

Determination

22 October 2024, at Property Tribunal

10 Alfred Place,

Date of Decision : 22 October 2024

DECISION

Decision of the tribunal

- i. The tribunal grants dispensation in respect of the major works relating to the roofing repairs and the replacement of the fascia boards and the external work in the sum of £8475.00.
- ii. The Tribunal makes no order for the cost occasioned by the making of the application.

The application

- 1. The applicant by an application, made on 21 May 2021 sought dispensation under section 20ZA of the Landlord and Tenant Act 1985 from part of the consultation requirements imposed on the landlord by section 20 of the 1985 Act¹.
- 2. The premises which are the subject of the application are a converted into two residential flats known as flat A and flat B.

The Background

- 3. This application sought an order for dispensation of the consultation requirements in respect of the premises, on the grounds that work which is required to be undertaken pursuant to the lease was carried out on the instruction of one of the leaseholders of the premises, Mr Kellet flat B.
- 4. The two flats at the premises were self-managed by the leaseholders with the agreement of the landlord. However, ground rents were collected on the freeholder's behalf by Sneller Property Consultants Limited.
- 5. On 8th August 2022 Sneller Property Consultants Limited (" The Agents") were contacted by Freddie Loveridge of SIR Roofing Limited regarding roof work to the property. Mr Loveridge informed the agents that he had been instructed by Mr Kellet to carry out major works to the roof. The scaffolding was in place and some of the work had commenced. The breakdown of costs was confirmed to be in the sum of £16,200.00, the sum of £7725.00 which was solely attributable to works to Mr Kellet's flat. The sum of £8475.00 was for the costs of scaffolding, replacement of the fascia boards and external works for removing the soffits, fascia and guttering and down pipes.

¹ See Service Charges (Consultation Requirements) (England) Regulations 2003 (SI2003/1987)

- 6. The Freeholder was not a party to the contract with SIR Roofing, however as the work was underway by the time the freeholder had knowledge of the work, they were unable to consult with the leaseholders under Section 20 of the Landlord and Tenant Act 1985. The builder refused to continue with the work until funding was provided
- 7. The freeholder in their application stated that they were left with no choice but to fund a significant portion of the costs of the work which would be ordinarily charged to the leaseholder through their service charges.
- 8. The Freeholder seeks dispensation of the consultation requirements on the grounds that the works were part way through being undertaken when they became aware of the work, and as such were not able to comply with the Section 20 Consultation procedure.
- 9. Directions were given in writing on 05.07.20224, setting out the steps to be taken by the Applicant, (including serving the directions on the respondents) for the progress of this case.
- 10. The Directions at paragraph C stated that -: "...The only issue for the tribunal is whether or not it is reasonable to dispense with the statutory consultation requirements. This application does not concern the issue of whether any service charge costs will be reasonable or payable."
 - (a) The Directions also provided that -: Those leaseholders who oppose the application must by 9 August 2024 -: complete the attached form and send it <u>by email</u> to the Tribunal; and
 - (b) Send to the applicant/landlord by email or post a statement in response to the application with a copy of the reply form by email or by post. They should send with their statement copies of any documents upon which they wish to rely.
- 11. The Directions also provided that the application would be determined on the basis of written representations in the week commencing 16 September 2024, and that any request for a hearing should be made by 6 September.2024.
- 12. No request was made for a hearing, and the Tribunal having reviewed the papers are satisfied itself that the matter was suitable to be dealt with on the papers.

The Applicant's case

- 13. The application was made on behalf of the landlord by Sneller Property Consultants Limited who are managing agents. The Applicant's case was as set out in the Application form and bundle of documents comprising 119 pages.
- 14. In their statement the Landlord repeated the matters set out in their application. In their statement Sloggett group set out that the leaseholder Mr Kellett sourced and instructed contractors to undertake the work which was to the structure and exterior of the premises, after the work had commenced Mr Kellett attempted to withdraw funds from his bank to pay the contractor and was unable to. SIR Building withdrew from the site leaving the scaffolding in place, with the building no longer watertight.
- 15. In their statement they set out that-: "As the works were instigated, instructed and started without Sloggett Group Limited's knowledge and due to the urgent requirement to ensure that the property was watertight going into the autumn and winter month, Sloggett Group Limited could not have reasonably undertaken a Section 20 Consultation in accordance with Section 20 of the Landlord and Tenant Act."
- 16. Although the Applicant made no criticism of the leaseholder of Flat B, (Mr Kellett) concerning entering into the agreement, or raised issue with the costs or standard of work, they set out that they are currently facing a financial loss to pay for work which would normally have been recoverable as a service charge.
- 17. The Applicant in their application stated that after receiving the breakdown of the costs, the Applicant asked their agent to contact CBH Maintenance and arrange for a comparative quotation, which turned out to be higher than that provided by SIR Roofing Limited.

The Respondent's Case

- 18. The Tribunal received a written objection to the costs of the work from the leaseholder of flat A, Miss Solmas Karimi, on behalf of herself and her joint leaseholder Mr Thompson.
- 19. In her written objections, she states that she was unaware that the work was being undertaken and that on 1 August 2022 when she became aware of contractors on site, she contacted Ms Jennifer Zivanovic of the managing agents. She further set out that there had been correspondence sent by herself to the landlord about "regarding potential for these works to be carried out."
- 20. Ms Karimi sets out that the builders were "Scam builders" and that Mr Kellett was vulnerable. She criticises the Applicant for their delay in meeting with the builder, which she states took place on 7.10.2022, which was eight weeks after the work commenced. She also stated that the work was at that stage limited and that as a result a consultation exercise could have been undertaken.
- 21. The Respondent further complains that she was not shown a copy of the comparative quotation provided by CBN Maintenance.
- 22. In her statement she set out that "Had Sloggett Group Limited and Snellers Property Consultant Limited engaged with 41A Percy Road when a request for support and the potential for these works were first mentioned in January March 2021... they may have avoided theirs and 41 Percy Road's

- unexpected and unfortunate involvement in a scam by SIR Roofing Ltd upon 41 Percy Road."
- 23. The Respondent leaseholder provided a timeline setting out her contact with the Applicants and the timeline of events, together with email correspondence concerning this issue and also information concerning her lease.
- 24. The Tribunal was also provided with an invoice with a breakdown of the work undertaken.
- 25. The Tribunal considered these documents together with the Applicant's reply

The tribunal's decision and reason for the decision

- I. The Tribunal having considered all of the circumstances in this case, together with the issues raised by the respondent.
- II. The Tribunal has considered the lease however, it noted that the copy which was included was a poor copy as such it makes no findings as to whether on a proper construction of the lease the sums due are payable by the leaseholders.
- III. The Tribunal noted that its jurisdiction in this matter is limited to the s scope as set out in Section 20ZA and as discussed by the court in *Daejan –v-Benson (2013)* which requires the Tribunal to decide on whether the leaseholders would if dispensation is granted suffer any prejudice. The Tribunal have no information before it that the work was overpriced or that the work was either unnecessary in its scope or sub-standard. As such it has not found that the Respondent was prejudiced in not being consulted under Section 20 of the Landlord and Tenant Act 1985.
- IV. Although the Tribunal does not find that there is any prejudice to the dispensation being granted, The Tribunal would note that the limit in its jurisdiction has meant that it has not considered whether the work was within the scope of the repairing covenant in the lease, **As such nothing in the Tribunal's decision deals with the reasonableness or payability under the lease of the work in issue.**
 - V. The leaseholders will of course enjoy the protection of section 27A of the 1985 Act so that if they consider the costs of the work are not reasonable (on the grounds set out above or any other ground) they may make an application to the tribunal for a determination of their liability to pay the resultant service charge.

VI. However, the Tribunal is satisfied that in all the circumstances in this application it is reasonable to grant dispensation

VII. No applications were made for costs before the tribunal.

Judge Daley Date: 22.10.24

Appendix of relevant legislation

Landlord and Tenant Act 1985

Section 27A

- (1) An application may be made to a leasehold valuation 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 a leasehold valuation 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 postdispute 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) a leasehold valuation 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.]

1. S20ZA Consultation requirements: supplementary

- (1) 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.
- (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 <u>section 20</u> 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. [...]
- 2. The relevant Regulations referred to in section 20 are those set out in Part 2 of Schedule 4 of the Service Charge (Consultation etc) (England) Regulations 2003.