

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	CHI/00HE/LDC/2024/0111
Property	:	33-43 Trenance Road, Trenance Road, Camborne, TR14 8QA
Applicant	:	Coastline Housing Ltd
Representative	:	
Respondent	:	Mr Sydney Coale
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	:	Regional Judge Whitney
Date of Decision	:	15 November 2024

DECISION

This is a formal order of the Tribunal which must be complied with by the parties.

Communications to the Tribunal MUST be made by email to <u>rpsouthern@justice.gov.uk</u>. All communications must clearly state the Case Number and address of the premises.

Summary of the Decision

1. The Applicant is granted 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 in relation to the advised works required to resolve the issue of blocked and foul-smelling drains at the property. The Tribunal has made no determination on whether the costs of the works are reasonable or payable.

Background

- 2. 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 24 June 2024.
- 3. Copy correspondence dated 24 June 2024 from the Applicant addressed to Mr Sydney Coale was sent to the Tribunal along with the application form. The Applicant states on the application form that Mr Coale is the 'only leaseholder'.
- 4. The Property is described in the application form as:

Block 33-43 Trenance is a block of 6 flats 33 and 43 are 2 bedroom leasehold flats

5. The Applicant explains in the application form that:

Customers have reported a number of times blocked drains and smells coming from the drains. Coastline have instructed our drains contractor, Aqua Rod, who have attended and reported the issue can not be resolved without significant work being completed.

Aqua Rod have completed a CCTV survey and recommend the following:

Divert the foul drainage around the building and connect back into the foul line then leading to the SWW main. This work based on the Coastline rates comes to a total of \pounds 9,127.74 + vat and will take around 5 days to complete. The work will include approximately 35 metres of drainage plus 3 x new inspection chambers, new gullies and pipework to divert into new pipe run, all waste materials removed from site and full reinstatement of grass, concrete, and Tarmac areas.

Order raised for these works on 18/06/24, to be started ASPAP.

The issue with the drains has been reported by mulitple customers. Due to the ongoing impact, cost and disruption to customers there is no oppurtunity to complete the Section 20 process. I have spoken to the only leaseholder, Mr Coales, and advised him of the situation.

6. Dispensation is said to be sought because:

Due to the emergency nature of the work, consultation was not possible and Coasltine [sic] therefore seeks dispensation from consultation.

- 7. The Tribunal gave Directions on 23 October 2024 listing the steps to be taken by the parties in preparation for the determination of the dispute, if any.
- 8. The Directions stated that Tribunal would determine the application on the papers received unless a party objected in writing to the Tribunal within 7 days of the date of receipt of the Directions. No party has objected to the application being determined on the papers.
- 9. The only issue for the Tribunal is whether or not it is reasonable to dispense with the statutory consultation requirements. This application is not about the proposed costs of the works, and whether they are recoverable from the leaseholders as service charges or the possible application or effect of the Building Safety Act 2022. The leaseholders have the right to make a separate application to the Tribunal under section 27A of the Landlord and Tenant Act 1985 to determine the reasonableness of the costs, and the contribution payable through the service charges.

The Law

- 10. Section 20 of the Landlord and Tenant Act 1985 ("the Act") and the related Regulations provide that where the lessor undertakes qualifying works with a cost of more than $\pounds 250$ per lease, 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.
- 11. 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.

- 12. 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.
- 13. 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.
- 14. 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).
- 15. 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.

- 16. 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.
- 17. 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.
- 18. If dispensation is granted, that may be on terms.
- 19. There have been subsequent Decisions of the higher Courts and Tribunals of assistance in the application of the Decision in Daejan but none are relied upon or therefore require specific mention in this Decision.

Consideration

- 20. The Directions attached a reply form for the Respondent to complete to confirm whether he agrees with the application or not and if opposed, to provide a statement setting out why he opposes.
- 21. The Tribunal has not received any response from the Respondent and the Applicant has confirmed in an email dated 5 November 2024 that:

neither myself nor our Service Charge team have had any contact on this matter from Mr Coale.

- 22. Having considered the application and prior to undertaking this determination, I am satisfied that a determination on the papers remains appropriate, given that the application remains unchallenged.
- 23. Dispensation from consultation requirements is said to be required following a number of reports from customers of blocked drains and foul smells from the drains. The instructed drains contractor, Aqua Rod recommended works to the drainage system. Given the nature of the works and the fact that it was causing disruption to the occupants, I am satisfied that the qualifying works were of an urgent nature.
- 24. There has been no objection to the dispensation of the consultation requirements from the Respondent.
- 25. The Respondent has not, therefore asserted that any prejudice has been caused to him. The Tribunal finds that nothing different would be done or achieved in the event of a full consultation with the Respondent, except for the potential delay and potential problems.
- 26. The Tribunal finds that the Respondent has not suffered any prejudice by the failure of the Applicant to follow the full consultation process.
- 27. The Tribunal consequently finds that it is reasonable to dispense with all of the formal consultation requirements in respect of the major works to the building as described in this Decision.
- 28. This Decision is confined to determination of the issue of dispensation from the consultation requirements in respect of the qualifying works to the drainage system as outlined at paragraph 5. The Tribunal has made no determination on whether the costs are payable or reasonable. If the leaseholder wishes to challenge the payability or reasonableness of those costs, then a separate application under section 27A of the Landlord and Tenant Act 1985 would have to be made.
- 29. In reaching my decision I have taken account of the fact that no party has objected to the application. The leaseholder has had opportunity to raise any objection and he has not done so.

RIGHTS OF APPEAL

30. 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 the Regional office which has been dealing with the case by email at rpsouthern@justice.gov.uk

- 31. 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.
- 32. 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.
- 33. 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.