

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : CHI/29UG/LDC/2024/0051

Applicant : Southfields House RTM Company Limited

Representative : None

Leaseholders of Flats 1-12 Southfields

House, 5 Southfields Green,

Respondents : Gravesend, Kent DA11 7BF

as per the schedule attached

Mr Andrew Gray in respect of Lindsey Lynsey and Andrew Gray, Adekoyejo Odusina, Ricky Looms,

Representative : Farah Butt and Abioka Adejumo

The remaining respondents did not appear

and were not represented

Dispensation from consultation

requirements under section 20ZA of the

Landlord and Tenant Act 1985.

Flats 1-12 Southfields House, 5 Southfields

Property: Green, Gravesend, Kent DA11 7BF

Mr C Norman FRICS

Tribunal Members : Valuer Chairman

Mr B Bourne MRICS Mr D Ashby FRICS

Venue and Date of

Type of Application

Hearing

4 July 2024 Ashford Tribunal Hearing

Centre

Date of Decision : 16 October 2024

DECISION

Decision

1. The application for dispensation from the consultation requirements in respect of redecoration works is GRANTED CONDITIONALLY, provided the applicant for dispensation pays to each respondent who attended the hearing of 4 July 2024 £150 costs within 28 days of the date of this decision.

Reasons

The Applicant's Case

- 2. Application to the Tribunal dated 28 February 2024, was made for a dispensation from the consultation requirements under section 20ZA of the Landlord and Tenant Act 1985 ("the Act") (set out in the appendix). The application related to redecoration works.
- 3. The applicant's case was that the condition of the building was poor justifying non-compliance with the consultation requirements, except that Notices of Intention had been served. Total costs of £35,664 including a management fee of £5,364 had been charged.

Directions

4. Directions were issued on 6 March 2024 that the matter be dealt with by written representations, unless any party made a request for an oral hearing. Objections were received from the lessees of flats 2,6,7,10 and 11. On 11 April 2024 this application was directed to be heard with the section 27A case concerning the same property CHI/29UG/LDC/2024/0137.

The Property

5. Southfields House is a low-rise modern block of 12 flats constructed in 2008.

The Leases

6. The Tribunal was supplied with a sample lease. However, the Tribunal makes no finding in this decision as to payability or reasonableness of the costs to be incurred as that is outside the scope of this application. Those matters are addressed in the decision CHI/29UG/LDC/2024/0137.

The Respondents' Case

Ms Gray referred to this matter as follows:

"The painting of the communal area of Southfields House, referred to in the end of year accounts as Sect.20 works, had a total cost to the leaseholders of £35,664, which included a charge of £5,364 paid to Blocsphere. The leaseholders were

not informed of any tendering process or the prices for this work until almost one year after the work was completed. Mrs Joy Davies, Director of Blocsphere, eventually confirmed by email that Blocsphere failed to have the painting contract carried out in compliance with Section 20. She indicated that this was as a result of an instruction from the RTM Directors. Mr Andrew Brockman, Southfields House RTM Director, has also confirmed in writing that the correct process was not followed.

Blocsphere has admitted that the proper tendering process was not followed but this seemingly did not prevent Blocsphere from retaining their charge of £5,364 to the leaseholders, a charge that most leaseholders would not have known could be levied in this regard. When asked to explain the reason for the charge, different explanations were provided in separate emails which has only served to further confuse and frustrate.

Blocsphere, by their own admission, failed to comply with the legislation [...]

20. The legislation states that by failure to comply with Section 20, the maximum each leaseholder should be required to pay in charges is £250."

The Applicant's Reply

7. The Applicant did not reply.

The Law

8. Section 20ZA is set out in the appendix to this decision. The Tribunal has discretion to grant dispensation when it considers it reasonable to do so. In addition, the Supreme Court Judgment in *Daejan Investments Limited v Benson and Others* [2013] UKSC 14 empowers the Tribunal to grant dispensation on terms or subject to conditions. In *Daejan* at para 46 Lord Neuberger stated "The Requirements are a means to an end, not an end in themselves, and the end to which they are directed is the protection of tenants in relation to service charges, to the extent identified above. ...the Requirements leave untouched the fact that it is the landlord who decides what work needs to be done, when they are to be done, who they are to be done by, and what amount is to be paid for them."

Findings

9. The issue of the reasonableness of the cost of the redecoration works was explored at the hearing in connection with the s. 27A case. For reasons given

in that decision the Tribunal found that the reasonable cost was £8,464.50 including professional fees of £484.75. This finding is far lower than the amount sought by the applicant (respondent to the s. 27A application). Therefore, the Tribunal has not identified any further prejudice to the lessees in relation to the cost of works. Accordingly in accordance with *Daejan* the Tribunal should grant dispensation.

10. However, the Tribunal also finds that the objectors to the application were entitled to attend the hearing and that the costs of them doing so should be borne by the \$20ZA applicant as a condition of receiving dispensation. The Tribunal therefore directs that the following should receive those costs: Lynsey & Andrew Gray (as a single party), and Abiola Adejumo. The Tribunal summarily assesses the costs at £150 per party. These costs must be paid by the applicant within 28 days failing which the application for dispensation will stand refused.

Mr Charles Norman FRICS Valuer Chairman 16 October 2024

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.
- If a party wishes to appeal against this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
- The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
- If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
- The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.

Appendix

Section 20ZA Landlord and Tenant Act 1985

- (1)Where an application is made to [the appropriate 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 section 20 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.

Schedule of Respondent Lessees	
1	RA Burke Holdings Ltd
2	Adekoyejo Adeneye Odusina
3	Andrew Brockman
4	Carol Brockman and Paul Brockman
5	Racheal Desola Solotan
6	Ricky Albert Loomes
7	Farah Butt
8	Nicholas Daniel Berger and
	Eleanor Rose Nicholson
9	James Elliott
10	Abiola Adejumo
11	Lynsey Johnson
12	Emily Jane Stedman