



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

Case Reference	:	CAM/42UD/LDC/2024/0601
Property	:	St. Francis Tower, 23 Franciscan Way Ipswich, IP1 1NA
Applicant	:	RG Securities (No.2) Ltd (Freeholder)
Representative	:	Inspired Property Management (Agent)
Respondents	:	Leaseholders who may be liable to contribute at the Property
Representative	:	None
Landlords	:	RG Securities (No.2) Ltd
Type of Application	:	S20ZA of the Landlord and Tenant Act 1985 - dispensation of consultation requirements
Tribunal	:	N. Martindale FRICS
Hearing Centre	:	First tier Tribunal (Property Chamber) Cambridge County Court, 197 East Road, Cambridge CB1 1BA
Date of Decision	:	25 March 2025

DECISION

Decision

1. The Tribunal grants dispensation from the requirements on the applicant to consult all leaseholders under S.20ZA of the Landlord and Tenant Act 1985, in respect of the qualifying works referred to.
2. At the date of application it was stated that construction work had started. It was understood that the management company's agent acting for the landlord, was able to recharge costs under the service charge provisions to all leaseholders in the Property.

Background

3. The freeholder, through its agent, applied to the Tribunal under S20ZA of the Landlord and Tenant Act 1985 ("the Act") for the dispensation from all or any of the consultation requirements contained in S20 of the Act.
4. The application related to the commissioning of works at the Property which appeared to concern urgent works to apparently defective parts of the mains water feed throughout much of the Property, rising to individual flats and common areas.

Directions

5. Directions dated 27 January 2025 were issued without an oral hearing. They correctly identified that the respondents were the leaseholders of some 116No. flats at the Property. The Directions provided for the Tribunal to determine the application on or after 17 March 2025, unless a party applied on or before 24 February 2025 for a hearing.
6. The applicant was to send to each of the leaseholders of the dwellings at the Property; a copy of the application form, brief description of the works, an estimate of the costs of the works including any professional fees and VAT and anything else relied upon with a copy of the Directions.
7. The applicant was to file with the Tribunal a letter by 10 February 2025, confirming how and when it had been done.
8. Leaseholders who objected to the application were to send a reply form and statement to the Tribunal and applicant, by 28 February 2025. The applicant was to prepare a bundle of documents including the application form, Directions, sample lease and all other documents on which they wanted to rely; all responses from leaseholders, a certificate of compliance referred to above; with two copies to the Tribunal and one to each respondent leaseholder and do so by 7 March 2025.

9. In the event, the Tribunal did not receive any requests for a hearing, nor did it receive any forms in support of or objection to respondents either directly or indirectly via the bundle. The applicant copied in the Tribunal with its standard letter to leaseholders and confirmed service of documents to the Tribunal on 6 February 2025.
10. The Tribunal determined the case on the bundle received from the applicant, only.

Applicant's Case

11. The application, dated 12 December 2024, at box 4 appears to confirm that the Property is a *"Purpose built apartment building with 116 residential properties"*.
12. The application at box 7 confirms that these are to be qualifying works, and that they had been started. They are not part of a long term contract. At box 9 the applicant was content for paper determination and applied for it, at box 10, to be dealt with by Fast Track but did not indicate a 'special reason' for urgency in this case. However it did set out why: *"The Building is currently unoccupied and going through remediation following 2 insured escape of water events caused by weak joints on the main risers. These works are of an emergency nature and are gateway items to the remainder of the repairs. Expediting the application will ensure works can proceed at pace and the leaseholders who are currently in alternative accommodation can move back to their homes earlier than if dispensation was no granted. There are also significant financial benefits to the leaseholders should dispensation be granted (explained further below). A fast track or paper determination will allow for the project to progress at haste."*
13. The application at 'Grounds for seeking dispensation', box 1. stated in addition: *"... The insurance claim covers remediation to the damaged flats but not the full replacement of the risers. Remediation to the flats is expected to last 12 months. It is preferable to replace the 4x risers now, whilst the building is vacant rather than when it is reoccupied..."*
14. The application at box 2. below this, described the consultation that had been carried out or is proposed to be carried out. *"The project is being overseen by an external project manager (chartered surveyor). The surveyor has obtained quotes for the works and also sought the (inform) advice of a quantity surveyor to ensure the sums quoted are reasonable. Stage 1 notice of intent are in the process of being served upon the leaseholders. We anticipate sharing the quotations with leaseholders simultaneously along with a brief report from the surveyor..."*
15. The application at box 3. referred back to boxes 1 and 2.

16. The applicant included further documents including a list of the names and addresses for service of all 116No. Leaseholders at the Property. The applicant provided a copy of the Notice of Intention to leaseholders, dated 7 January 2025 and a copy of the letter of 4 February 2025, of advice from Julian Harvey BSc MRICS at Gill Associates (Chartered Quantity Surveyors). The applicant also provided a 'Statement of Case', unsigned, undated. It confirmed that no leaseholder had objected to the applicant about the works nor to the application for dispensation.

Respondent's Case

17. The applicant identified 116No. leaseholders at the Property, to the Tribunal from whom the service charge would eventually be recovered and had been identified as the potential respondents. The applicant confirmed by email of 6 February 2025 that the respondent leaseholders had been sent the documents specified by the Tribunal in its earlier Directions.
18. The Tribunal did not receive any objections or other representations from the leaseholders, either through the applicant, or directly.

The Law

19. S.18 (1) of the Act provides that a service charge is an amount payable by a tenant of a dwelling as part of or in addition to the rent, which is payable for services, repairs, maintenance, improvements or insurance or landlord's costs of management, and the whole or part of which varies or may vary according to the costs incurred by the landlord. S.20 provides for the limitation of service charges in the event that the statutory consultation requirements are not met. The consultation requirements apply where the works are qualifying works (as in this case) and only £250 can be recovered from a tenant in respect of such works unless the consultation requirements have either been complied with or dispensed with.
20. Dispensation is dealt with by S.20 ZA of the Act which provides:-
"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."
21. The consultation requirements for qualifying works under qualifying long term agreements are set out in Schedule 3 of the Service Charges (Consultation Requirements) (England) Regulations 2003 as follows:-

1(1) The landlord shall give notice in writing of his intention to carry out qualifying works –

- (a) to each tenant; and**
- (b) where a recognised tenants' association represents some or all of the tenants, to the association.**

(2) The notice shall –

- (a) describe, in general terms, the works proposed to be carried out or specify the place and hours at which a description of the proposed works may be inspected;**
- (b) state the landlord's reasons for considering it necessary to carry out the proposed works;**
- (c) contain a statement of the total amount of the expenditure estimated by the landlord as likely to be incurred by him on and in connection with the proposed works;**
- (d) invite the making, in writing, of observations in relation to the proposed works or the landlord's estimated expenditure**
- (e) specify-**
 - (i) the address to which such observations may be sent;**
 - (ii) that they must be delivered within the relevant period; and**
 - (iii) the period on which the relevant period ends.**

2(1) where a notice under paragraph 1 specifies a place and hours for inspection-

- (a) the place and hours so specified must be reasonable; and**
- (b) a description of the proposed works must be available for inspection, free of charge, at that place and during those hours.**

(2) If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any tenant, on request and free of charge, a copy of the description.

3. Where, within the relevant period, observations are made in relation to the proposed works or the landlord's estimated expenditure by any tenant or the recognised tenants' association, the landlord shall have regard to those observations.

4. Where the landlord receives observations to which (in accordance with paragraph 3) he is required to have regard, he shall, within 21 days of their receipt, by notice in writing to the person by whom the observations were made state his response to the observations.

Tribunal's Decision

22. The scheme of the provisions is designed to protect the interests of leaseholders and whether it is reasonable to dispense with any particular requirements in an individual case must be considered in relation to the scheme of the provisions and its purpose.
23. The Tribunal must have a cogent reason for dispensing with the consultation requirements, the purpose of which is that leaseholders who may ultimately pay the bill are fully aware of what works are being proposed, the cost thereof and have the opportunity to nominate contractors where there is no public procurement. The correspondence showed that the applicant complied generally with Directions.
24. The terms of this Dispensation from the requirements of Section 20, are:
25. That this only covers the work set out in the application form. No other documents detailing the extent, quality, or price of the works being carried out and/or to be undertaken in respect of the rising mains at the Property were provided to the Tribunal.
26. No dispensation for any prior report, nor ancillary work before or after whichever quote or estimate is accepted by the applicant, is included in this dispensation. This remains subject to subsequent challenge by any respondent leaseholder, both of the item itself and/or the amount reasonably payable, in the usual way. Other than this no other items are included given dispensation because they were not specifically sought. Those other costs including any professional fees associated with the work will be subject to the annual cap of £250 per leaseholder for a contract for works rechargeable under a service charge or to a further application for dispensation if required. This is because they do not form part of this application for dispensation.
27. The applicant will meet all of its costs arising from the making and determination of this application. However these costs can be recovered from any leaseholder as service charge and/ or as an administrative charge if the lease of each unit allows for it, subject to the usual scope for leaseholder challenge to its reasonableness and payability.
28. **In making its determination of this application, it does not concern the issue of whether any service charge costs are reasonable or indeed payable by the leaseholders. The Tribunal's determination is limited to this application for dispensation of consultation requirements under S20ZA of the Act; in this case, on terms.**

N Martindale FRICS

17 March 2025

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If either party is dissatisfied with this decision, they may apply for permission to appeal to the Upper Tribunal (Lands Chamber) on any point of law arising from this Decision.

Prior to making such an appeal, an application must be made, in writing, to this Tribunal for permission to appeal. Any such application must be made within 28 days of the issue of this decision to the person making the application (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013).

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).