



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

Case Reference : **LON/00AP/LDC/2024/0154**

Hearing Type : **By way of written representation**

Property : **167 Mount Pleasant Road, London, N17 6JH**

Applicant : **Orchidbase Limited (Landlord)**

Representative : **Michael Richards & Co**

Respondent : **(1) Mr M Bowman & Miss L Virbert-Stokes
(2) Mr A Charalambouse (Tenant)**

Type of Application : **To Dispense with the Statutory Consultation
Requirements under Section 20ZA of the
Landlord & Tenant Act 1985**

Tribunal Members : **J. A. Naylor FRICS FIRPM
Valuer Chairman**

Date of Decision : **3rd April 2025**

DECISION

Determination:

Dispensation is granted unconditionally.

REASONS

The Tribunal grants the application for dispensation from further statutory consultation in respect of the subject works, namely, the erection of scaffolding, redecoration and, additionally, roof work to provide additional structural support and removal of asbestos.

The applicants should place a copy of this Decision, together with an explanation of the leaseholders' Appeal Rights, on its website (if any) and within the common parts of the property within 7 days of receipt and maintain it there for at least 3 months, with a sufficiently prominent link to both on its home page.

This Decision does not affect the Tribunal's jurisdiction upon any future application to make a determination under Section 27A of the Act in respect of the reasonableness and / or the cost of the work.

Background

1. An application for dispensation dated 12th June 2024 was received by the Tribunal.
2. The application was made under Section 20ZA of the Landlord & Tenant Act 1985 and was an application for dispensation from all, or any, of the consultation requirements provided by Section 20 of the Landlord & Tenant Act 1985.
3. On 11 July 2024 the Tribunal issued Directions.
4. Confirmation that all leaseholders had been notified of the dispensation application. was received by the Tribunal in an email dated 31st March in which the applicant confirmed that all leaseholders had received notification of the dispensation application and that it had been displayed in the common parts.
5. The Tribunal Directions stated that the leaseholders who wanted to oppose the application needed to by 9 August 2024.

Applicant's Case

6. Michael Richards & Co on behalf of the landlord, Orchidbase Limited, made an application on behalf of the freeholder to undertake structural repairs to the roof and remove asbestos following investigation during ongoing redecoration works which revealed that these elements required remedial attention.
7. Michael Richards & Co have issued the first consultation notice, the Notice of Intention ,for the original roof work to leaseholders. This was issued on 31 January

2022 and detailed work involving redecoration and the erection of scaffolding relating thereto.

8. Michael Richards & Co obtained quotes from two contractors.
9. The second consultation notice, the Notice of Estimates, was issued to leaseholders on 5 July 2022. By the time work was due to commence in December 2022, inflation had increased the prices.
10. As a result of the increased prices contractors were asked to retender and a second Notice of Estimates was issued on 14 December 2022. As a result of the increased prices, Michael Richards & Co invited a third firm to tender for the work. This firm won the contract and work commenced on 14 November 2023.
11. Following the erection of scaffolding it was discovered that additional work, as described above, was required and leaseholders were then notified of the need to undertake this additional work by way of correspondence dated 27 November 2023.
12. Debbie Crowther of Michael Richards & Co surveyors has confirmed compliance with the Tribunal's Directions and advised that no response from the leaseholders has been received.

Respondent's Case

13. No respondent has objected to the application or met with the Tribunal's Directions.

Determination and Reasons

14. Section 20ZA(1) of the Act provides:

"Where an application is made to the First Tier Tribunal Property Chamber 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."

The purpose of Section 20ZA is to permit a landlord to dispense with the consultation requirements of Section 20 of the Act if the Tribunal is satisfied that it is reasonable for them to be dispensed with. Such an application may be made

retrospectively. There is no evidence before the Tribunal that the respondents would be prejudiced by the failure of the applicants to complete the consultation requirements, nor is there any evidence before the Tribunal that any of the respondents objected to the application.

15. The Tribunal is of the opinion that the defects described are sufficient to warrant remedial treatment and are also of the opinion that to do so while scaffolding was up for other work makes economic sense.
16. The Tribunal is also of the opinion that Michael Richards & Co, on behalf of the freeholder, have made every attempt to meet with the consultation process and have consulted with the leaseholders on all developments within the work programme. It is satisfied, therefore, that it is reasonable to dispense with all, or any, of the consultation requirements in relation to roof works required to stabilise the structure of the roof and the removal of asbestos.
17. Whether the works have been carried out to a reasonable standard, and at a reasonable cost, are not matters which fall within the jurisdiction of the Tribunal in relation to this present application. This Decision does not affect the Tribunal's jurisdiction upon any future application to make a Determination under Section 27A of the Act in respect of the reasonableness and / or cost of the works.

The Law

Landlord & Tenant Act 1985, s.20ZA

20ZA Consultation requirements: supplementary

(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.

Daejan

In *Daejan Investments v Benson* [2013] UKSC 14, the landlord was the freehold owner of a building comprised of shops and seven flats, five of which were held by the tenants under long leases which provided for the payment of service charges.

The landlord gave the tenants notice of its intention to carry out major works to the building. It obtained four priced tenders for the work, each in excess of £400,000, but then proceeded to award the work to one of the tenderers without having given tenants a summary of the observations it had received in relation to the proposed works or having made the estimates available for inspection.

The tenants applied to a leasehold valuation tribunal

under section 27A of the Landlord and Tenant Act 1985 , as inserted, for a determination as to the amount of service charge which was payable, contending inter alia that the failure of the landlord to provide a summary of the observations or to make the estimates available for inspection was in breach of the statutory consultation requirements in paragraph 4(5) of Schedule 4 to the Service Charges (Consultation Requirements) (England) Regulations 2003 so as to limit recovery from the tenants to £250 per tenant, as specified in section 20 of the 1985 Act and regulation 6 of the 2003 Regulations in cases where a landlord had neither met, nor been exempted from, the statutory consultation requirements.

The landlord applied to the tribunal under section 20(1) of the Act for an order that the paragraph 4(5) consultation requirements be dispensed with, and proposed a deduction of £50,000 from the cost of the works as compensation for any prejudice suffered by the tenants, which offer they refused. The tribunal held that the breach of the consultation requirements had caused significant prejudice to the tenants, that the proposed deduction did not alter the existence of that prejudice, and that it was not reasonable within section 20ZA(1) of the Act, as inserted, to dispense with the consultation requirements.

The Upper Tribunal (Lands Chamber) dismissed the landlord's appeal and the Court of Appeal upheld the Upper Tribunal's decision.

The Supreme Court , allowing the appeal (Lord Hope of Craighead DPSC and Lord Wilson JSC dissenting), held that the purpose of a landlord's obligation to consult tenants in advance of qualifying works, set out in the Landlord and Tenant Act 1985 (as amended) and the Service Charges (Consultation Requirements) (England) Regulations 2003 , was to ensure that tenants were protected from paying for inappropriate works or from paying more than would be appropriate; that adherence to those requirements was not an end in itself, nor was the dispensing jurisdiction under section 20ZA(1) of the 1985 Act a punitive or exemplary exercise; that, therefore, on a landlord's application for dispensation under section 20ZA(1) the question for the leasehold valuation tribunal was the extent, if any, to which the tenants had been prejudiced in either of those respects by the landlord's failure to comply; that neither the gravity of the landlord's failure to comply nor the degree of its culpability nor its nature nor the financial consequences for the landlord of failure to obtain dispensation was a relevant consideration for the tribunal; that the tribunal could grant a dispensation on such terms as it thought fit, provided that they were appropriate in their nature and effect, including terms as to costs; that the factual burden lay on the tenants to identify any prejudice which they claimed

they would not have suffered had the consultation requirements been fully complied with but would suffer if an unconditional dispensation were granted; that once a credible case for prejudice had been shown the tribunal would look to the landlord to rebut it, failing which it should, in the absence of good reason to the contrary, require the landlord to reduce the amount claimed as service charges to compensate the tenants fully for that prejudice; and that, accordingly, since the landlord's offer had exceeded any possible prejudice which, on such evidence as had been before the tribunal, the tenants would have suffered were an unqualified dispensation to have been granted, the tribunal should have granted a dispensation on terms that the cost of the works be reduced by the amount of the offer and that the landlord pay the tenants' reasonable costs, and dispensation would now be granted on such terms. Per Lord Neuberger of Abbotsbury PSC, Lord Clarke of Stone-cum-Ebony and Lord Sumption JJSC. (i) Where the extent, quality and cost of the works were unaffected by the landlord's failure to comply with the consultation requirements an unconditional dispensation should normally be granted (post, para 45). (ii) Any concern that a landlord could buy its way out of having failed to comply with the consultation requirements is answered by the significant disadvantages which it would face if it fails to comply with the requirements. The landlord would have to pay its own costs of an application to the leasehold valuation tribunal for a dispensation, to pay the tenants' reasonable costs in connection of investigating and challenging that application, and to accord the tenants a reduction to compensate fully for any relevant prejudice, knowing that the tribunal would adopt a sympathetic (albeit not unrealistically sympathetic) attitude to the tenants on that issue (post, para 73).

Lord Neuberger giving the leading judgment stated inter alia the following:

More detailed consideration of the circumstances in which the jurisdiction can be invoked confirms this conclusion. It is clear that a landlord may ask for a dispensation in advance. The most obvious cases would be where it was necessary to carry out some works very urgently, or where it only became apparent that it was necessary to carry out some works while contractors were already on site carrying out other work. In such cases, it would be odd if, for instance, the LVT could not dispense with the requirements on terms which required the landlord, for instance, (i) to convene a meeting of the tenants at short notice to explain and discuss the necessary works, or (ii) to comply with stage 1 and/or stage 3, but with (for example) five days instead of 30 days for the tenants to reply.

Chairman: J. A. Naylor FRICS FIRPM

Valuer Chairman

Date: 3rd April 2025

ANNEX – RIGHTS OF APPEAL

1. A written application for permission must be made to the First-tier Tribunal at the Regional tribunal office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional tribunal office within 28 days after the date this decision is sent to the parties.
3. 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.
4. The application for permission to appeal must state the grounds of appeal, and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers
5. Any application to stay the effect of the decision must be made at the same time as the application for permission to appeal.