FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**CAM/00MX/LDC/2024/0622**
Property	**:**	**Reddy House, 84 Oxford Road, High Wycombe, HP11 2DX**
Applicant	**:**	**Reddy House Wycombe Ltd (Management Company)**
Representative	**:**	**Alba Management Services (Agent)**
Respondents	**:**	**Leaseholders who may be liable to contribute at the Property**
Representative	**:**	**None**
Landlords	**:**	**Reddy House Wycombe 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	**:**	**17 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 management company, 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 roof over one or more of the flats and common areas, at the Property.

Directions

5. Directions dated 27 January 2025 were issued without an oral hearing. They correctly identified that the respondents were the leaseholders of some 5No. 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 of 30 April 2024 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 29 November 2024, at box 4 appears to confirm that the Property is a conversion of a former house into 5No. self contained flats. It has a *"Communal area with single staircase and means of escape via main entrance."*

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. It was said to be urgent: *"Water ingress has been noted in Flats 5/ 4/ 3."*

13. The application at 'Grounds for seeking dispensation', box 1. stated in addition: *"Flat 5 ingress. To strip of(f) front slope of roof and save slates. Strip out front gully re board and felt with 3 layers felt. To re felt and batten and re use slates and ridge tiles. To lead front along corbelling."*

14. The application at box 2. below this, described the consultation that had been carried out or is proposed to be carried out. *"The director of the freehold company, contractor and managing agent agreed a suitable specification. All leaseholders were then sent a letter explaining the need for the works."*

15. The application at box 3. explained why they sought dispensation of all or any of the consultation requirements. *"Due to the black mould in Flat 5 immediate action is required, while the scaffolding is in place subsequent smaller leaks into Flat 3 & 4 should be rectified in order to delay and cause further damage to the building."*

16. The applicant included further documents including a list of the names and addresses for service of all 5No. Leaseholders at the Property:

17. 1. 'Quote' (no reference) from JB Group Services Ltd for work at 'Reddy house remedial works'. Undated. Breakdown of 9No. elements: 8No. to the communal areas, the last 1No. item for works to the interior of a flat at the Property. The Tribunal totalled the 8No. items to communal parts at £17,390 + VAT. There was no reference to scaffolding or preliminaries.

18. 2. 'Estimate No. 202486' of 10 November 2024 from C & R Roofing and Building, for work at Reddy House. Supply scaffolding, strip roof and save slates, strip out front gully, re board and felt with 3 layers felt, re felt and batten and reuse slates and ridge tiles, to lead front along corbelling. Labour and materials £10,000. No VAT.

Respondent's Case

19. The applicant identified 5No. 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 letter of 7 February 2025 that the respondent leaseholders had been sent the documents specified by the Tribunal in its earlier Directions.

20. The Tribunal did not receive any objections or other representations from the leaseholders, either through the applicant, or directly.

The Law

21. 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.

22. 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."

23. 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

24. 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.

25. 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.

26. The correspondence showed that the applicant complied generally with Directions.

27. The terms of this Dispensation from the requirements of Section 20, are:

28. That this only covers the work set out in the prices numbered in either No.1 or No.2 above as received by the applicant, in the applicant's case, whichever contractor is appointed. 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.

29. 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.

30. **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).