

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference CAM/42UD/LDC/2025/0615

HMCTS Code P: PAPERREMOTE

Property Focus Apartments, Eastgate House,

45 Carr Street, Ipswich IP4 1HA

Applicant : Grey GR Limited Partnership

Respondents : The leaseholders

For dispensation of the

Type of Application : consultation requirements under

section 20ZA of the Landlord and

Tenant Act 1985

Tribunal Member : Judge Wayte

Date of Decision : 17 June 2025

#### **DECISION**

#### The Tribunal determines that:

(1) Under section 20ZA of the Landlord and Tenant Act 1985, all of the consultation requirements are dispensed with in respect of the additional fire compartmentation works ("the Works") set out in paragraph 13 of the Applicant's Statement of Case dated 20 February 2025.

(2) Dispensation in respect of the Works is subject to the condition that the Applicant writes to the leaseholders within 56 days of the date of this decision to confirm their share of the final estimated costs of the Works (subject to any protection given by the Building Safety Act 2022).

#### The application

- 1. The Applicant seeks an order pursuant to s.20ZA of the Landlord and Tenant Act 1985 (as amended) ("the 1985 Act") for the dispensation of any or all of the consultation requirements in respect of the additional fire compartmentation works ("the Works") which were carried out to 15 flats within the Property in October 2024.
- 2. The Respondents are the leaseholders of the 25 apartments within the block who are potentially responsible for the cost of the works under their lease, subject to the protections set out for leaseholders in the Building Safety Act 2022 and any other successful action against third parties such as the developer and its consultants/contractors.
- 3. The issue in this case is only whether the consultation requirements of section 20 of the 1985 Act and the Service Charges (Consultation etc) (England) Regulations 2003 should be dispensed with. Any issue as to the cost of the Works may be the subject of a separate application under section 27A of the Landlord and Tenant Act 1985 to determine the payability of any service charge demanded under the lease, although the tribunal recognises that in reality the main concern of the leaseholders is the extent to which they will be liable for those costs.

### The background

- 4. The Property was originally constructed as an office building in or about 1965 but converted into residential use between 2015/16. It is a five-storey residential tower block with a total of 25 one and two bedroom apartments, located above commercial premises. The top storey measures approximately 22m above ground level.
- 5. The landlord in this application became the registered proprietor of the head lease of the Property on 10 January 2018. Although an initial Fire Risk Assessment in 2018 assessed the fire risk to the Property as "tolerable", further more detailed surveys carried out in the wake of the Grenfell tragedy found potentially large amounts of combustible material forming part of the external wall system and a lack of cavity barriers/fire stopping.
- 6. The major works to remedy relevant defects in the external wall system are now the subject of a Remediation Order, made by this tribunal on 4 July 2024, for the relevant defects to be remedied no later than 15 June

2026 (Case Reference: CAM/42UD/HYI/2023/7). This order provided for a grace period of 6 months from the estimated practical completion date of 15 December 2025, to allow for unforeseen delays with the works or approvals for them.

- 7. The original internal compartmentation works were due to have been completed by September 2023. On 2 April 2024, this tribunal granted conditional dispensation from the consultation requirements for those works, reference CAM/42UD/LDC/2023/46. That followed a more general dispensation in respect of interim works to install a common fire alarm and the major works to remove and replace external wall systems, combustible cladding/insultation and any other works deemed necessary to ensure the safety of the building (Case Reference: CAM/42UD/LDC/2021/0054).
- 8. The Statement of Case for this application confirms that while the works which were the subject of the previous application were being carried out, the Landlord's consultant discovered that further works were necessary within 15 of the flats, namely the installation of fire putty pads to sockets within the kitchen areas. In addition, following monitoring by fire safety experts employed on behalf of the Landlord, it was further discovered that remediation of the party wall to external wall junction was required in relation to 15 of the 25 flats. This would appear to be the same 15 flats identified in the application: numbers 301, 303, 304, 401, 403, 404, 501,503,504,601,603,604, 701,703 and 704.
- 9. The Works covered by this application are more fully described in paragraph 13 of the Statement of Case and enclosures. They were planned to take place over two weeks and required the tenants to be out of the flat for one day. The Works were carried out by Stratis and their subcontractor Saracen Compliance Services Limited. The Works commenced on 7 October 2024 and, save for snagging works in flat 703, were completed on 18 October 2024. The total cost of the Works was said to be £178,313.85 including VAT.
- 10. The affected leaseholders were advised about the need for the Works by a letter from Principle Estate Management, the managing agents for the property, dated 25 September 2024. That letter provided short notice to vacate the properties according to a schedule of works between 7 and 16 October 2024. Hotel accommodation was provided for one night to facilitate the works to the kitchen. On 25 October 2024 a further letter was sent confirming the completion of the Works. Both letters gave contact details in the event of any questions or concerns and a link to access previous correspondence.
- 11. Paragraph 14 of the Statement of Case confirms that the Applicant considers that the additional Works fall outside of the scope of works

- carried out in respect of the original dispensation application, requiring this further application.
- 12. This application was dated 20 February 2025 and directions were ordered on 13 March 2025. Those directions required the Applicant to write to the Respondents informing them of the application and the timetable for any objections.
- 13. The Applicant's bundle contains a copy email dated 27 March 2025 confirming that the application form was served by way of first-class post on 25 March 2025. Documents were also displayed in the common parts of the property, as requested by the directions.
- 14. Statements of objection were received on behalf of 9 leaseholders. They all used the same statement of objection, which appeared to have been drafted by Chris Harris, who had previously taken the lead role on behalf of the leaseholders in other applications. None of them requested a hearing and I was satisfied that the matter could proceed on the papers in the light of the limited dispute between the parties.
- 15. The only issue before the Tribunal is whether it should grant dispensation from all or any of the consultation requirements contained in section 20 of the 1985 Act and the Regulations.

### The Applicant's case

- 16. The grounds of the application were summarised in the Statement of Case as follows:
  - a) The works were required to be carried out as soon as possible. Further, there are health and safety risks due to the fire safety defects within the compartmentation.
  - b) The Applicant has instructed the works so as not to cause any unnecessary delays to remediation.
  - c) The Applicant received a single tender in respect of the works and so would be unable to complete the full consultation process in accordance with the requirements under section 20.
  - d) There is no prejudice to the respondents which might be caused by the applicant's inability to carry out section 20 consultation, as far as they are aware.
  - e) The Applicant has informed the leaseholders in respect of the works and given them the opportunity to raise any queries with Principle.
  - f) If lessees have concerns or questions, Principle remain willing to attempt to address them.
  - g) Challenges to reasonableness of the costs to be incurred can still be brought by lessees if dispensation is granted.

- 17. The Applicant relied on the Supreme Court decision in *Daejan Investments Ltd v Benson and others* [2013] UKSC 14 in support of its application, which confirmed that the key question for the Tribunal is whether the tenants would be prejudiced by a lack of consultation.
- 18. In the circumstances, retrospective unconditional dispensation was requested in respect of the works that were required to ensure the health and safety of the residents.

# The Respondents' position

- As stated above, the tribunal received statements from objection from 9 19. leaseholders (or flats). The objection was not to the Works themselves but "on the basis that it is very difficult to receive information from the landlord when they do not enjoy dispensation". This statement was part of the proforma adopted by all the objectors, which focussed on the understandable concern that leaseholders still have no idea of the final costs for the entire remediation works, how they will be apportioned and whether any third parties may be asked to pay a share. The information received as part of the dispensation application in 2023 did not provide the clarity sought. A request was made for much clearer information as to costs spent on the Property over the last few years, broken down in to separate headings so that the leaseholders can consider their further options in respect of any challenge to their service charges. The "threat" of large costs being demanded of leaseholders to be paid immediately was a continuing cause for concern.
- 20. By way of illustration, Mr Harris attached the latest demand for the service charge period 1 February 2025 to 31 January 2026. The anticipated expenditure had reduced by some £30,000 overall, mainly due to what appeared to be no anticipated expenditure in relation to Schedule 1 but also the removal of £6,500 allocated in relation to the Building Safety Case and a large reduction in staff costs, due to the removal of the caretaker service. The payment sought on an interim basis was some £180 pcm, although a demand was also made at the same time for nearly £6, 500 for roof works. A letter from Principle dated 3 April 2025 suggested that it made sense to arrange the works in 2025 as the scaffold is already in situ, presumably for the major remediation works. A further email from the agent dated 26 May 2024 had promised the 2022 year end accounts "very soon". That email appeared to have been sent responding to queries raised by Mr Harris arising from the letter dated 22 May 2024 setting out the information required as a condition for the previous dispensation application in 2023.
- 21. The Respondents made no application for any order under section 20C of the Landlord and Tenant Act 1985 (limiting the ability of the landlord to seek their costs of the dispensation application as part of the service charge). In the 2023 application, the Applicant indicated

that they would not seek the recovery of the costs of the application as part of the service charge in any event and have now confirmed that they do not intend to seek the costs of this application either.

#### The Tribunal's decision

- 22. The tribunal has the jurisdiction to grant dispensation under section 20ZA of the 1985 Act "if satisfied that it is reasonable to dispense with the requirements". I consider that the objections by the leaseholders to this application were to unconditional dispensation, as before. In particular, their concern that the communication with them on behalf of the Applicant continues to be unclear, particularly in respect of the costs they are likely to bear. The unforeseen request for the immediate payment of some £6,500 for the roof works has increased those concerns, for obvious reasons.
- 23. There was no objection to the Works or any suggestion that prejudice has been caused by the lack of consultation and on that basis, in accordance with *Daejan*, the Tribunal considers it is reasonable to grant dispensation in respect of the statutory consultation requirements for the works. That said, the Supreme Court in *Daejan* made it clear that the tribunal may grant dispensation on such conditions as it thinks fit, provided that any such conditions are appropriate in their nature and effect.
- 24. With that in mind on 29 May 2025 the Tribunal wrote to the parties to seek views on a proposal that dispensation be granted subject to a condition that the Applicant confirm the final costs of the additional compartmentation works but also provides a more general update as to the remediation project as a whole, including information for each leaseholder about their potential liability.
- 25. The leaseholders replied with a detailed condition requiring information about all costs, to be updated monthly and a three-monthly update showing progress in recovering costs from third parties.
- 26. The Applicant's solicitors reiterated their request for unconditional dispensation but agreed in the alternative to provide details of the final estimate for the Works within 21 days. They also indicated a willingness to provide information to each leaseholder about their personal liability for the cost of the Works within 56 days, if necessary, although submitted that it was too onerous to make it a condition. They objected to the proposed condition in respect of the remediation project as a whole on the basis that it was too wide and fell outside the scope of the current application. The Applicant was willing to provide details of the overall final costs when that detail is available and for that to be recorded in the Tribunal's decision.

- 27. Although I understand the leaseholders' concerns about the prospect of large service charges, I do not consider it is appropriate to make this dispensation subject to conditions in relation to other works to the property, given their need under *Daejan* to be appropriate in their nature and effect. In those circumstances, I have decided that for this application, dispensation will be subject to the condition that the Applicant writes to the leaseholders within 56 days of the date of this decision to confirm their share of the final estimated costs of the Works (subject to any protection given by the Building Safety Act 2022). If the Applicant could also confirm at that stage the position in relation to the wider works, together with any progress on third party recovery, that would obviously be appreciated by the leaseholders but is not to be a formal part of the condition. In any event, the Tribunal will also expect the Applicants to provide the further information they indicated would be made available in due course as set out in paragraph 26 above.
- 28.I recognise that this does not fully meet the leaseholders' requests for a breakdown of all their service charges from 2021 but I would hope that Principle will do their best to facilitate that, if only to seek to avoid further applications.
- 29. As before, the Applicant must make this decision publicly available on its leaseholder portal as well as send a copy to each leaseholder. The tribunal will send a copy to each leaseholder who has objected to the application.

Name: Judge Wayte Date: 17 June 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 a party wishes to appeal 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.

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