

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : MAN/00FF/LDC/2025/0607

Property : Tradewinds 127 Lawrence Street,

York, YO10 3EG

Applicant : Tradewinds Management Limited

Respondent : The Leaseholders of the Property

Type of Application : Dispensation pursuant to s20ZA

Landlord and Tenant Act 1985.

Tribunal Members : Judge R Anderson

Mr W Reynolds

Date of Hearing : 15 May 2025

Date of Decision : 9 June 2025

DECISION

Decision: Dispensation is granted unconditionally.

Factual Background

1. In this case the Applicant seeks dispensation from the consultation requirements provided for by section 20 of the Landlord and Tenant Act 1985.

- 2. The Applicant is Tradewinds Management Limited ("The Applicant").
- 3. The necessary Respondents to the application are the leaseholders of the premises affected by the application which is Tradewinds, 127 Lawrence Street, York, YO10 3EG ("The premises").
- 4. The premises are managed on behalf of the Applicants by Anthem Management Limited ("Anthem")
- 5. The property is a four-story block split into 2 separate but adjoining blocks containing 23 long leasehold apartments in total. A sample copy of a lease was included in the Statement of Case and it is not in dispute that the Applicant is entitled to charge the Respondents a service charge.

The Application

- 6. The Applicant has applied for dispensation from the statutory consultation requirements in respect of the replacement of the foul water pumps which serve the premises. The cost of the replacement was £5917.60 ("the Works")
- 7. The Applicant has also emphasized that there was potential for an ongoing weekly cost to drain sewage and that had the Applicant complied with the s20 consultation requirements those additional costs would have amounted to roughly £5000.00
- 8. The Applicant obtained three quotes to replace the foul water pumps and provided the Respondents with a notice of intention to carry out the Works on 10 January 2025, even though they did not comply with the full consultation requirements.

The Responses

9. No response has been received from any of the Respondents.

The law on dispensation

10. The statutory basis for the application is found in s20ZA Landlord and Tenant Act 1985:

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.

- 11. The leading judicial guidance in how to apply the tribunal's discretion is set out in the supreme court decision of *Daejan Investments v* Benson [2013] UKSC 14 and it worthwhile summarizing the facts and rationale in that case.
- 12. The Supreme Court, allowing the appeal (Lord Hope of Craighead DPSC and Lord Wilson JSC dissenting), held that:
 - The correct legal test on an application to the Tribunal for dispensation is: "Would the flat owners suffer any relevant prejudice, and if so, what relevant prejudice, as a result of the landlord's failure to comply with the requirements?"
 - The purpose of the consultation procedure is to ensure leaseholders are protected from paying for inappropriate works or paying more than would be appropriate.
 - In considering applications for dispensation the Tribunal should focus on whether the leaseholders were prejudiced in either respect by the landlord's failure to comply. The Tribunal has the power to grant dispensation on appropriate terms and can impose conditions.
 - The factual burden of identifying some relevant prejudice is on the leaseholders. Once they have shown a credible case for prejudice, the Tribunal should look to the landlord to rebut it.
 - The onus is on the leaseholders to establish what steps they would have taken had the breach not happened and in what way their rights under (b) above have been prejudiced as a consequence.
- 13. Accordingly, the Tribunal had to consider whether there was any prejudice that may have arisen out of the conduct of the applicant and whether it was reasonable for the Tribunal to grant dispensation following the guidance set out above and, if so, whether any conditions should be applied to that dispensation.

Determination

14. On its face the application has merit. It is clearly necessary to carry out the works urgently. There was no evidence of prejudice of the type envisaged in Daejan being suffered by the leaseholders. Accordingly, the tribunal agrees to give dispensation unconditionally in relation to the application. It is emphasised again that the dispensation does not affect the leaseholders' ability to challenge the service charges pursuant to s.27A Landlord and Tenant Act 1985.

Judge Anderson 9 June 2025

List of The Residential Long Leaseholders

Executor Michael Weeks

Ms Morley

Mr & Mrs Keogh

Mr & Mrs McCormack

Mr N A Hudson & Ms P A Mullarkey

Mr & Mrs Rathbone

Mr & Mrs Wentzell

Ms S H Lloyd

Mr & Mrs Matthews

Mr K Feng Bong

Mr HEJ Vincent

Mr & Mrs Birkett

Mr & Mrs Lay

Ryedale Properties Ltd

Detlef Plump

Mr P Fisher & Ms J Swailes

Mr D Nelson

Mr & Mrs Bowditch

Ms Kreif

Mr & Mrs Lay

Ms FMG Hill

Mr Cass

Mr & Mrs Dahal

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 should be made on Form RP PTA available at:

https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber

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).