FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case References	:	**MAN/00BR/LDC/2024/0621**
Properties	:	**Various Properties**
Applicants	:	**(1) Great Places Housing Group** **(2) Great Places Housing Association** **(3) Plumlife Homes Limited**
Respondents	:	**The residential long leaseholders of the Properties**
Type of Application	:	**Landlord & Tenant Act 1985 – Section 20ZA**
Tribunal Members	:	**Judge A Davies** **Huw Thomas FRICS**
Date of Decision	:	**20 August 2025**

DECISION

The consultation requirements contained at section 20 of the Landlord and Tenant Act 1985 are dispensed with in relation to

(1) the qualifying long term agreement for the supply of gas by SEFE UK to the Properties over a period of 2 years from 1 October 2024; and

(2) the four qualifying long term agreements for the supply of electricity by Ecotricity to the Properties over a period of 3 years from the same date.

REASONS

Background

1. The second and third Applicants are part of the first Applicant, Great Places Housing Group. The Applicant is a registered Social Housing provider. Members of the Group own and manage a large number of residential units

over various sites in the north and west midlands. The leased units include houses, flats and bungalows. Each of them receives an electricity and/or gas supply ("energy supply") provided by the Applicant either directly to the unit or to common parts of the property in which the residential unit is situated.

2. The Respondents to this application are those leaseholders and tenants whose homes are in properties which include units let under leases or tenancy agreements containing service charge provisions, where it is likely that one or more leaseholder or tenant in the property may be required to pay more than £100 for their energy supply.

3. The Applicant's contracts with its energy supplier for supply to the Respondents' homes terminated on 30 September 2024. Anticipating this, the Applicant commissioned EIC Partnership to identify energy contracts for the Applicant to enter into with effect from 1 October 2024. The intention was to ensure that energy supplies to the Properties continued on the best available terms and to avoid a period between negotiated contracts during which energy prices would be substantially higher.

4. The Applicant's new contracts with energy suppliers were identified by EIC and signed by the Applicant early in 2024. They are for periods exceeding one year and are defined by section 20ZA(2) of the Landlord and Tenant Act 1985 ("LTA 1985") as Qualifying Long Term Agreements ("QLTA").

The Law

5. Section 20 of the LTA 1985 and regulations made under that section set out a detailed consultation procedure to be followed by property managers who intend to enter into a QLTA, where any leaseholder may be expected to have to contribute more than £100 to the annual cost. If the consultation procedure is not followed, each leaseholder's contribution to the cost is limited to £100 a year.

6. Section 20ZA(1) of the LTA 1985, permits a manager to apply to the tribunal for dispensation from the consultation requirement. The leading case on the

application of section 20ZA is Daejan Investments v Benson [2013] UKSC 14, in which Lord Neuberger, in summary, said that in deciding whether to dispense with consultation requirements, the tribunal should focus on the extent, if any, to which the tenants were prejudiced in either (1) paying for inappropriate works or (2) paying more than would be appropriate, as a result of the failure by the landlord to comply with the regulations. He described such prejudice (at paragraph 65 of his judgement) as a disadvantage "*which they would not have suffered if the requirements had been fully complied with, but which they will suffer if an unconditional dispensation were granted*". It is for the leaseholders to show that they have been prejudiced, he said, and it "*does not appear onerous to suggest that the tenants have an obligation to identify what they would have said* [by way of representations in response to a section 20 consultation]*, given that their complaint is that they have been deprived of the opportunity to say it"* (at paragraph 69 of the judgement).

The Applicants' case

7. The application is dated 5 December 2024 and relates to five QLTA which took effect on 1 October 2024 for the supply of gas (one contract, with SEFE UK) and electricity (four contracts, with Ecotricity).

8. The Applicant says that it was unable to consult in accordance with section 20 of the 1985 Act as the energy market requires large-scale users to bid for energy suppliers' offers (of contract terms and prices) which are only open for acceptance for a short period since energy prices can change daily. A full section 20 consultation takes some months to complete, and so, the Applicant says, the contracts recommended by EIC were necessarily entered into without giving the Respondents an opportunity to suggest alternative suppliers.

9. The Applicant has produced to the Tribunal copies of EIC's procurement analyses which indicate that the prices under each of the new contracts compare favourably with the energy prices paid by the Applicant (and therefore the Respondents) prior to 1 October 2024.

The Respondents' case

10. Many of the Respondents raised queries with the Applicant when they received a letter explaining the arrangements the Applicant was making for new energy contracts. These queries were answered by the Applicant by telephone or in writing – a spreadsheet has been provided to the Tribunal with a record of the answers supplied.

11. Other Respondents raised more specific objections to the application to dispense with section 20 consultation. Mr Keith Heywood wrote to explain that he had found a lower price quotation in June 2024 and again in June 2025. Mr Roger Mason also objected on the ground that he had located a lower energy price in May 2025. To these objections the Applicant replied that energy prices can go up as well as down, and that they had taken advice from a trusted broker that the contracts they entered into were likely to be good value.

12. Other Respondents referred to a dispute over service charges which arose in 2023 when, it appears, there was some double invoicing by EDF, the previous energy supplier. The Tribunal understands that an application has been made to the tribunal under section 27A for a determination as to the reasonableness and payability of those service charges.

Decision

13. The present application is limited to whether the Applicant should be granted dispensation from the section 20 consultation procedure in respect of the new energy contracts, or whether, alternatively, the price for electricity payable by each of the Respondents should be limited to £100 per year, which (in the absence of dispensation) is the penalty for failure to consult.

14. To oppose a section 20ZA application successfully the Respondents must show that they have suffered some financial prejudice as a result of the failure to consult. The Respondents have not been able to do that in this

case. There is no evidence as to what alternative tariffs might have been available for the Applicant's portfolio of properties in early 2024 when the

procurement process was under way, or as to whether the Applicant was wrong to rely on EIC's recommendation. Following the guidance of Lord Neuberger quoted above, the Tribunal finds that the Respondents have not been prejudiced financially or otherwise by the Applicant's failure to consult. Any issues as to whether the energy prices are reasonable and properly passed on as service charges would be determined by the tribunal in the event of an application under section 27A of the 1985 Act.