



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

Case Reference : **CAM/22UH/LDC/2025/0605**

HMCTS : **Paper**

Property : **1-8 Crescent View, High Road, Loughton,
Essex IG10 4PZ**

**Applicant (Landlord
& Freeholder)** : **Crescent View (High Road)
Management Limited**

Representative : **East Block Group Ltd, Amanda Barnes**

Respondent : **All Leaseholders/Tenants of dwellings
who may be liable to contribute towards the
cost of the relevant works at the Property**

Type of Application : **To dispense with the consultation
requirements referred to in Section 20 of the
Landlord and Tenant Act 1985 pursuant to
Section 20ZA**

Tribunal : **Judge JR Morris**

Date of Application : **21 January 2025**
Date of Directions : **2 April 2025**
Date of Decision : **21 May 2025**

DECISION

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Decision

1. The Tribunal is satisfied that it is reasonable to dispense with compliance with all the consultation requirements of Schedule 4 Part 2 to the Service Charges (Consultation etc) (England) Regulations 2003 (SI 2003/1987).

2. The Applicant shall serve a copy of the Tribunal's decision on dispensation, together with the relevant appeal rights attached, to the Leaseholders.

Reasons

The Application

3. On 21 January 2025 the Applicant applied for dispensation from the statutory consultation requirements in respect of qualifying works which are to provide new electrical mains installations and communal lighting, with related work at the Property.
4. The Applicant said in the Application Form that:

The Property urgently required a new electrical mains distribution and sub-main system, as well as an upgrade to the communal lighting. The current communal lighting has failed due to outdated and faulty electrical mains.

Recently one of the flats in the Property lost its main electricity supply, prompting a temporary connection to the landlord's circuit. The attending electrician expressed significant concern that other flats are at risk of the same failure, as the existing installation appears to be the original system from the building's construction in the 1930s.

In addition, the communal lighting is no longer operational due to related electrical faults.

Therefore, the Applicant stated that the remedial works were urgent to ensure the ongoing safety of Leaseholders and occupants and the building's electrical infrastructure legislative compliance. The Applicant had been advised by the electrician that the works should be carried out without delay.

5. The Property is a purpose-built block of 8 flats constructed in the 1930s.
6. An estimate of the cost was provided which totalled £30,180 including VAT which resulted in the unit charge being more than £250.00. Therefore, the consultation procedure under section 20 of the Landlord and Tenant Act 1985 was required or dispensation granted for the full cost to be met by the service charge.
7. Directions were issued on 2 April 2025 which stated that the Application would be determined on or after 19 May 2025 based on written representations and without an inspection, unless either party made a request for an oral hearing by 30 April 2025. No request was received.

8. The Directions required the Applicant to send by 16 April 2025 to each of the Respondent Leaseholders, by hand delivery or by first class post and by email, if practicable, copies of:
 - i. The application form without the list of leaseholders' names and addresses;
 - ii. The Directions;
 - iii. A clear concise description of the relevant works for which dispensation is sought together with an estimate of the cost of the relevant works, including any professional fees and VAT;
 - iv. Any other evidence relied upon; andTo file with the tribunal confirming that this had been done and stating the date on which this was done.
9. On 7 April 2025 the Applicant's Representative confirmed that this Direction had been complied with and the bundle and Directions had been sent to all leaseholders via email and first-class post on 3 April 2025.
10. If the Respondent Leaseholders wished to oppose the Application the Directions required them to do so via an attached reply form by 30 April 2025. No forms or representations were received from the Leaseholders.

The Law

11. Section 20 of the Landlord and Tenant Act 1985 limits the relevant service charge contribution of tenants unless the prescribed consultation requirements have been complied with or dispensed with under section 20ZA. The requirements are set out in The Service Charges (Consultation Requirements) (England) Regulations 2003. Section 20 applies to qualifying works if the relevant costs incurred in carrying out the works exceed an amount which results in the relevant contribution of any tenant being more than £250.
12. The consultation provisions appropriate to the present case are set out in Schedule 4 Part 2 to the Service Charges (Consultation etc) (England) Regulations 2003 (SI 2003/1987) (the 2003 Regulations). The Procedure of the Regulations are summarised in Annex 2 of this Decision and Reasons.
13. Section 20ZA allows a Landlord to seek dispensation from these requirements, as set out in Annex 2 of this Decision and Reasons and this is an Application for such dispensation.
14. References to "tenants" includes "leaseholders" and vice versa.

Submissions & Evidence

15. The Applicant provided a bundle to the Tribunal which included:
 - A copy of the Lease for Flat 3, the terms of which are understood to be common to all the Leases.

- Application to the Tribunal,
- Tribunal Directions,
- Applicant's confirmation regarding compliance with Directions,
- Letter to Leaseholders
- Quotation from M7 Electrical (London) Ltd

These together set out the Applicant's case as follows:

16. The Lease is between the Leaseholders and the Applicant Landlord, who is also the Freeholder, for a term of 999 years from 7th August 2000. The Property is referred to in the Lease as the "Building." The relevant provisions of the Lease are:
 - a) Clause 1(2)
There shall be paid by way of further or additional rent such sum or sums to be assessed in manner as referred to in this clause as shall be a just and fair proportion of the amount which the Landlord may from time to time expend and as may reasonably be required on account of anticipated expenditure ...
(a) In preforming the Landlord's obligations as to repair and maintenance...and as may reasonably be required
 - b) Clause 3
The Tenant hereby covenants with the Landlord as follows:
(1) to pay the rent and other moneys hereby reserved and made payable at the times and in a manner in which the same are hereby made payable
 - c) Clause 4 Subject to contributions by the Tenant as hereinbefore provided the Landlord hereby covenants with the Tenant as follows:
(1) at all times during the said term to take reasonable care to keep in good and substantial repair and in clean and proper order and condition those parts and appurtenances of the Building which are not included in this demise or in a a demise of any part of the building
 - d) Second Schedule Rights and easements reserved to the Landlord
1. The right for the Landlord and the tenants of the flats in the building at all reasonable times to enter the flat for the purpose of executing repairs and alterations to any part of the building
17. The Applicant's statement in the Application Form, the Directions and Applicant's confirmation of compliance with the Directions are set out above.
18. The Letter to the Leaseholders informed them of the Application for dispensation which included:
 - The Application Form
 - The Tribunal Directions,
 - An explanation of the proposed works

- The reason for urgency
 - Breakdown of costs which gave the name of the contractor as M7 Electrical (London) Ltd and the cost as
Electrical Upgrade £22,372 plus VAT
Lighting Upgrade £2,778 plus VAT
19. There were 2 identical quotations dated 24 December 2024, one for Flats 1 to 4 and the other for Flats 5 to 8, for the Electrical Upgrade and for the Lighting Upgrade from M7 Electrical (London) Ltd.
20. The work to be carried out for the Electrical Upgrade to the supply to both sets of Flats was:
- Decommission and removal of old intake equipment.
 - Installation of stud wall and fire rated panels to enable fixing of new Ryefield panel and isolator.
 - Installation of 100x50mm galvanised trunking containment through communal area.
 - Installation of new 6-way TP+N Ryefield panel with 600 rated fuse and 2000 TP+N main isolator.
 - Installation of new metal SP+N DB for landlord's power.
 - New bonding cable run from MET to external gas meters.
 - New run of single cables through metal containment to all flats.
 - Installation of 100a fuse isolator to internal of flats located below original DB enclosure (as per attached data sheet). Tenants will need to provide an up-to-date EICR to enable switch over to new supply – an option cost for individual EICR's to each Apartment (Option Cost - £180.00 plus VAT per dwelling) was provided.
 - Attendance with UKPN to switch over supply.
 - Full test of new sub mains installed on completion.
 - Cost: £22, 372.00 plus VAT @ 20% of £4,474.40
21. The work to be carried out for the Electrical Lighting upgrade works to internal common areas serving both sets of Flats was:
- Remove and replace existing light fittings with 2no. emergency light fittings(2no.)
 - Remove existing time delay switches and replace with blanking plates.
 - Add 2no. additional emergency light fittings to provide adequate escape lighting. To be wired to existing lighting circuit via surface PVC mini-trunking.
 - Supply and install suitable emergency light key isolation test switch adjacent to existing distribution board.
- Note:
- New fittings to have integral emergency light back Up and be PIR controlled. This will allow for the existing switches to be replaced as the lights will operate for pre-determined periods upon occupancy movement.

- New fittings to be “Knightsbridge White Polo 230v IP65” as per data sheet attached.
- Cost: £2,778 plus VAT @ 20% of £555.60

Findings

22. The Tribunal finds from the Lease that the Landlord is obliged to make repairs to the Building and that these are chargeable to the Tenants through the Service Charge.
23. The Tribunal from its knowledge and experience is aware of the need to act promptly where urgent electrical repairs have been identified and there are legislative requirements for the carrying out of such work where there is a risk to health and safety.
24. Therefore, considering the necessity and urgency of the work and that an opportunity was given to the Tenants to make representations the Tribunal finds that the Leaseholders have not suffered any relevant prejudice by the failure to carry out the consultation procedure.

Determination

25. In making its decision the Tribunal had regard to the decision of the Supreme Court in *Daejan Investments Ltd v Benson and others* [2013] UKSC 14. In summary, the Supreme Court noted the following:
 - 1) The main question for the Tribunal is whether the landlord’s breach of the section 20 consultation requirements resulted in the leaseholders suffering real prejudice.
 - 2) The financial consequence to the landlord of not granting a dispensation is not a relevant factor.
 - 3) The nature of the landlord is not a relevant factor.
 - 4) Dispensation should not be refused solely because the landlord seriously breached, or departed from, the consultation requirements.
 - 5) The Tribunal has power to grant a dispensation as it thinks fit, provided that any terms are appropriate.
 - 6) The Tribunal has power to impose a condition that the landlord pays the tenants’ reasonable costs (including surveyor and/ or legal fees) incurred in connection with the landlord’s application under section 20ZA.
 - 7) The legal burden of proof in relation to dispensation applications is on the landlord. The factual burden of identifying some “relevant” prejudice that they would or might have suffered is on the tenants.
 - 8) The Supreme Court considered that “relevant” prejudice should be given a narrow definition; it means whether non—compliance with the consultation requirements has led the landlord to incur costs in an unreasonable amount or to incur them in the provision of services, or in the carrying out of works, which fell below a reasonable standard, in other

- words whether the non—compliance has in that sense caused prejudice to the tenant.
- 9) The more serious and/or deliberate the landlord's failure, the more readily a Tribunal would be likely to accept that the tenants had suffered prejudice.
 - 10) Once the tenants had shown a credible case for prejudice, the Tribunal should look to the landlord to rebut it.
26. The Tribunal is satisfied that it is reasonable to dispense with compliance with all the consultation requirements of Schedule 4 Part 2 to the Service Charges (Consultation etc) (England) Regulations 2003 (SI 2003/1987).
 27. The Leaseholders should note that this is not an application to determine the reasonableness of the works or their cost. If, when the service charge demands in respect of these works are sent out, any Leaseholder objects to the cost or the reasonableness of the work or the way it was undertaken, an application can be made to this Tribunal under section 27A of the Act. A landlord can also seek a determination as to the reasonableness of the cost of the work.
 28. The Applicant shall serve a copy of the Tribunal's decision on dispensation, together with the relevant appeal rights attached, to all Leaseholders.

Judge JR Morris

Annex 1 – Right of Appeal

1. 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.
2. 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.
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 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.

Annex 2 – The Law

1. Section 20 of the Landlord and Tenant Act 1985 limits the relevant service charge contribution of tenants unless the prescribed consultation requirements have been complied with or dispensed with under section 20ZA. The requirements are set out in The Service Charges (Consultation Requirements) (England) Regulations 2003. Section 20 applies to qualifying works if the relevant costs incurred in carrying out the works exceed an amount which results in the relevant contribution of any tenant being more than £250.
2. The consultation provisions appropriate to the present case are set out in Schedule 4 Part 2 to the Service Charges (Consultation etc) (England) Regulations 2003 (SI 2003/1987) (the 2003 Regulations). The Procedure of the Regulations and are summarised as being in 4 stages as follows:

A Notice of Intention to carry out qualifying works must be served on all the tenants. The Notice must describe the works and give an opportunity for tenants to view the schedule of works to be carried out and invite observations to be made and the nomination of contractors with a time limit for responding of no less than 30 days. (Referred to in the 2003 Regulations as the “relevant period” and defined in Regulation 2.)

Estimates must be obtained from contractors identified by the landlord (if these have not already been obtained) and any contractors nominated by the Tenants.

A Notice of the Landlord’s Proposals must be served on all tenants to whom an opportunity is given to view the estimates for the works to be carried out. At least two estimates must be set out in the Proposal and an invitation must be made to the tenants to make observations with a time limit of no less than 30 days. (Also referred to as the “relevant period” and defined in Regulation 2.) This is for tenants to check that the works to be carried out are permitted under the Lease, conform to the schedule of works, are appropriately guaranteed, are likely to be best value (not necessarily the cheapest) and so on.

A Notice of Works must be given if the contractor to be employed is not a nominated contractor or is not the lowest estimate submitted. The Landlord must within 21 days of entering into the contract give notice in writing to each tenant giving the reasons for awarding the contract and, where the tenants made observations, to summarise those observations and set out the Landlord’s response to them.

3. Section 20ZA allows a Landlord to seek dispensation from these requirements, as follows –
 - (1) 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.

- (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—
if it is an agreement of a description prescribed by the regulations, or in any circumstances so prescribed.
- (4) to (7)... not relevant to this application.