



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

Case Reference	:	MAN/00CG/LDC/2025/0694
Property	:	Sovereign House, 110 Queen Street, Sheffield, S1 2DW
Applicant	:	Sovereign New House Limited
Representative	:	Nicola Murray – Xenia Estates Services Ltd
Respondents	:	Various Residential Long Leaseholders of the Property
Representative	:	Jobsons Solicitors
Type of Application	:	Application for the dispensation of consultation requirements pursuant to S.20ZA of the Landlord and Tenant Act 1985
Tribunal Members	:	Tribunal Judge L. White Tribunal Member N. Foster FRICS
Venue	:	Paper determination
Date of Determination	:	8 th April 2026

DECISION

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Decision of the Tribunal

The Tribunal grants the application for the dispensation of all or any of the consultation requirements provided for by section 20 of the Landlord and Tenant Act 1985 (“the 1985 Act”) (Section 20ZA of the 1985 Act) as set out in the application and detailed below on the following terms:

- (i) The Applicant sends a copy of this determination to all Residential Long Leaseholders of the property at Sovereign House, 110 Queen Street, Sheffield, S1 2DW.

The reasons for this decision are set out below.

The background to the application

1. The Applicant seeks dispensation under Section 20ZA of 1985 Act from the consultation requirements imposed on the landlord by Section 20 of the 1985 Act. Those requirements (“the Consultation Requirements”) are set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 (“the Regulations”).
2. The application is dated 11 November 2025.
3. The Tribunal did not inspect the Property but we understand the Property consists of two multi-storey buildings (known as Sovereign House – Newbank and Sovereign House – Sovereign Tower) containing 255 long-leased residential apartments. The apartments are a mix of studio, one bed and two bed apartments. The freehold is vested in the Applicant and the Respondents comprise the leaseholders of the 255 apartments.
4. The only issue for the Tribunal to determine is whether it is reasonable to dispense with the Consultation Requirements.
5. A directions order dated 3 December 2025 was made which was varied by order 8 December 2025, collectively “the Directions Orders”, which set out that the Applicant should send to each Respondent various documents including statement of case setting out the reasons for the applications, the application form, correspondence with leaseholders, details of urgency of the works, quotes and invoices and a copy of any directions orders. Any Respondent who opposed the application were ordered to send to the Applicant and to the Tribunal a statement in response which included any documents relied on. The Applicant was given the opportunity to provide final statements in reply within 14 days of expiry of the date by which the Respondents filed an objection.
6. The Applicant provided a large bundle of documents in excess of 2000 pages, which included amongst other items a copy of the Tribunal application form, a statement of case explaining why the application has been made to the Tribunal, various surveys carried out by FR Consultants on the safety of fire doors dated

August 2023 and September 2023 (“the Fire Door Surveys”) and compartmentation and passive fire protection surveys dated October 2023 (“the Compartmentation and Passive Fire Protection Surveys”), an enforcement notice from South Yorkshire Fire & Rescue dated 26 January 2024 requiring steps to be taken under Article 30 of the Regulatory Reforms (Fire Safety) Order 2005 (“the Enforcement Notice”) and correspondence to the leaseholders in relation to the works.

7. The application relates to the following works to the Property as set out in the documents provided by the applicant:

(a) Required remedial work to the fire doors as set out in the Fire Door Surveys which included:

- (i) ensuring gaps between the door leaf and frame and along sides and tops are within permitted tolerance;
- (ii) ensuring all fire doors can close past the latch under the power of their self-closing device;
- (iii) doors appropriately sealed;
- (iv) installation of appropriate door seals; and
- (v) replacement of fire doors where necessary.

(b) Required remedial work to compartmentation of the building as set out in the Compartmentation and Passive Fire Protection Surveys which included:

- (i) Doors - remedying deficiencies and/or defects identified including ensuring door frames being adequately sealed, repairing damaged and/or worn hardware such as hinges and in relation to gaps between doors and frames those to be brought within the permitted tolerance to ensure all fire doors are in accordance with BS EN 1634-1:2014;
- (ii) Walls – replacement of existing fire stopping works with suitable certified fire stopping systems and installation of additional firestopping requirements including sealing linear gaps between plasterboard walls and corresponding structural ceilings along with providing additional smoke projection to all backboxes within protective walls;
- (iii) Floors & Ceilings - replacement of existing fire stopping works with suitable certified fire stopping systems.

Collectively (“the Works”)

8. The Works have been undertaken although the date the Works were completed is not set out in papers. The Applicant states the Works were required to be completed as soon as practicable and were mandatory due to the Enforcement Notice.

9. The Enforcement Notice set out in a schedule the required works to be undertaken, which included the remedial actions identified in the Fire Door Surveys and in the Compartmentation and Passive Fire Protection Surveys. The date provided in the Enforcement Notice for compliance was 26 June 2024. The date was extended to 18 November 2024 following a request for further time to comply. It is mentioned in the objections received from the Leaseholders that this date was further extended to 5 February 2025 but the Tribunal has not seen evidence of that.
10. Within the bundle provided by the Applicant are various emails to numerous contractors requesting quotes for the Works. Those emails are dated between December 2024 and January 2025. It is noted that this is some 11 months after issue of the Enforcement Notice.

11. The Applicant states it received three quotes for the Works as follows:

Name	Fire Doors	Compartmentation	Total
ATI Maintenance	£281,520.00	£145,620.00	£427,140.00
Dove Tail Group	£248,106.75	£316,987.53	£565,094.28
Checkmate Fire	£248,943.74	£329,213.12	£578,156.86

12. The Applicant states that Oltec Group and Expert Fire Solutions, being contractors nominated by the leaseholders after service of notice of intention to carry out works on 13 December 2024, declined to tender. Within the bundle submitted there is however a quote from Oltec dated 29 January 2025 for the Works for a total of £513,108.55.
13. The Applicant states that it selected ATI Maintenance to carry out the Works as they offered the lowest combined tender and also held BM Trada and ASFP accreditation.
14. The Applicant admits that the Consultation Requirements were not complied with, although it is noted they were started. The Applicant states that compliance with the Consultation Requirements was impossible without breaching the Enforcement Notice and that the Applicant acted promptly and proportionately by prioritising statutory compliance and resident safety. The Applicant explains the delay between receipt of the Enforcement Notice and the Works being undertaken as being due to not having full costings and that management records inherited from the previous agent were incomplete.
15. The Applicant has advised that the Respondents have been provided with the documents required by the Directions Orders. The Statement of Case for the Respondents dated 27 January 2026, and other direct emails from leaseholders to the Tribunal, raise various objections being:
 - (i) The price of the Works;

- (ii) Which contractor was appointed to carry out the Works and whether this should have been the same contractor for all the Works or split as to which contractor gave the lowest quote for the two separate elements of the Works;
- (iii) Leaseholders were not notified initially of the Enforcement Notice and there was ample time to follow the Consultation Requirements if the Applicant had acted straight away and taking into account the extension of time given to comply with the Enforcement Notice;
- (iv) Contractors nominated not given sufficient time to be able to provide a quote for the Works;
- (v) Limited time to seek legal representation;
- (vi) Leaseholders having to pay sums requested within a short period of time with threat of penalties if not paid which caused financial hardship;
- (vii) Leaseholders losing interest on funds they were required to pay at short notice;
- (viii) Lack of detail in the invoices provided by ATI leaving leaseholders not knowing exactly what works have been undertaken;
- (ix) Not all the Works have been carried out;
- (x) Whether all the Works are a service charge in particular unit doors which they state are the responsibility of each leaseholder and not recoverable as a service charge;
- (xi) The Applicant's agent refusing to handover information relating to the Works to the new managing agent;
- (xii) Whether all Works were required as some of those were noted as advisory within the reports. Only completing the mandatory works would have reduced cost significantly.
- (xiii) Failure to take into account the already budgeted sums for compartmentation and fire doors in that service year;
- (xiv) Failure by the applicant's agent to advise as to balance of the reserve fund and utilise those reserve funds for the Works;
- (xv) Increase of the service proportion per unit resulting in annual service charge payments made by leaseholders equating to more than 100% of the total service charge.

16. The Applicant did not provide any Reply to the Respondent's Statement of Case. The Applicant did set out in their Statement of Case the objections which were raised by the Leaseholders at the start of the consultation process which includes some of those detailed above at paragraph 15. In reply to those the Applicant put forward that none of those amounts to relevant prejudice. The Applicant states those arguments can be raised in a future service charge challenge by way of a section 27A application to the Tribunal which it states is already underway.

17. The Directions Orders set out that the matter would be dealt with by way of a determination on the papers received unless any of the parties made representations by 2 February 2026. No representations have been made.
18. The Tribunal did not inspect the Property and it considered the documentation and information before it as set out above.

Grounds for the application

19. The Applicant set out in its application that the Works were required due to service of the Enforcement Notice made those works mandatory and they were unable to follow the Consultation Requirements fully prior to the deadline for compliance with the Enforcement Notice.
20. The Applicant states in its application that it has carried out the Works.

The Issues

21. This decision is confined to determination of the issue of dispensation from the statutory consultation requirements in respect of the Works. The Tribunal has made no determination on whether the costs for the Works are payable or reasonable. If a Lessee wishes to challenge the payability or reasonableness of the costs for the Works as service charges, including the possible application or effect of the Building Safety Act 2022, then a separate application under section 27A of the 1985 Act would have to be made.

Law

22. Section 18 of the 1985 Act defines what is meant by “service charge”. It also defines the expression “relevant costs” as:

the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

23. Section 19 of the 1985 Act limits the amount of any relevant costs which may be included in a service charge to costs which are reasonably incurred, and section 20(1) provides:

Where this section applies to any qualifying works ... the relevant contributions of tenants are limited ... unless the consultation requirements have been either–

(a) complied with in relation to the works ... or

(b) *dispensed with in relation to the works ... by the appropriate tribunal.*

24. “Qualifying works” for this purpose are works on a building or any other premises (section 20ZA(2) of the Act), and section 20 applies to qualifying works if relevant costs incurred on carrying out the works exceed an amount which results in the relevant contribution of any tenant being more than £250.00 (section 20(3) of the 1985 Act and regulation 6 of the Regulations).
25. Should a landlord not comply with the correct consultation procedure, it is possible to obtain dispensation from compliance with these requirements by an application such as this one before the Tribunal. Essentially the Tribunal must be satisfied that it is reasonable to do so.
26. The Applicant seeks dispensation under section 20ZA of the 1985 Act from all the Consultation Requirements imposed on the landlord by section 20 of the 1985 Act.
27. Section 20ZA (1) of the 1985 Act relates to Consultation Requirements and provides as follows:

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.

28. Reference should be made to the Regulations themselves for full details of the applicable Consultation Requirements. In outline, however, they require a landlord (or management company) to:
- give written notice of its intention to carry out qualifying works, inviting leaseholders to make observations and to nominate contractors from whom an estimate for carrying out the works should be sought;
 - obtain estimates for carrying out the works, and supply leaseholders with a statement setting out, as regards at least two of those estimates, the amount specified as the estimated cost of the proposed works, together with a summary of any initial observations made by leaseholders;
 - make all the estimates available for inspection; invite leaseholders to make observations about them; and then to have regard to those observations;

- give written notice to the leaseholders within 21 days of entering into a contract for the works explaining why the contract was awarded to the preferred bidder if that is not the person who submitted the lowest estimate.

29. In the case of *Daejan Investments Limited v Benson* [2013] UKSC 14, by a majority decision (3-2), the Supreme Court considered the dispensation provisions and set out guidelines as to how they should be applied.

30. The Supreme Court came to the following conclusions:

- (a) 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?”
- (b) The purpose of the consultation procedure is to ensure leaseholders are protected from paying for inappropriate works or paying more than would be appropriate.
- (c) Considering applications for dispensation the Tribunal should focus on whether the leaseholders were prejudiced in either respect by the landlord’s failure to comply.
- (d) The Tribunal has the power to grant dispensation on appropriate terms and can impose conditions.
- (e) 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.
- (f) The onus is on the leaseholders to establish:
 - (i) what steps they would have taken had the breach not happened and
 - (ii) in what way their rights under (b) above have been prejudiced as a consequence.

31. Accordingly, the exercise of the Tribunal’s power to dispense is governed by a determination of whether “it is reasonable” to dispense. Lord Neuberger explained in *Daejan* at [67]: “*while the legal burden of proof would be, and would remain throughout, on the landlord, the factual burden of identifying some relevant prejudice that they would or might have suffered would be on the tenants*”.

32. *Daejan* gives a direction of travel for the exercise of the Tribunal’s discretion and a clear steer that where the Tribunal is unable to identify relevant prejudice, dispensation should be granted. The Tribunal has to consider whether any prejudice has arisen out of the conduct of the Applicant and whether it is reasonable for the Tribunal to grant dispensation following the guidance set out above in *Daejan*.

Consideration and Findings

33. The Consultation Requirements are intended to ensure a degree of transparency and accountability when a landlord (or a management company) decides to undertake qualifying works – the requirements ensure that leaseholders have the opportunity to know about, and to comment on, decisions about major works before those decisions are taken.
34. In deciding whether to dispense with the Consultation Requirements in a case where qualifying works have been commenced or completed before the Tribunal makes its determination, the Tribunal must focus on whether the leaseholders were prejudiced by the failure to comply with the Consultation Requirements. If there is no such prejudice, dispensation should be granted. If there is prejudice, then the Tribunal could decide to still grant dispensation and may do so on terms which could include a requirement for a reduction in the amount claimed as service charge to compensate the leaseholders for the prejudice suffered.
35. The factual burden to identifying some relevant prejudice that the leaseholders would or might have suffered is on the leaseholders. In this particular case although the Applicant has not complied fully with the Consultation Requirements, it did start them. The Applicant served a notice of intention to commence works dated 13 December 2024. Following that and the responses received from leaseholders including nominations for contractors, the Applicant sent out statement of estimates dated 17 January 2025. Although the Applicant states two of the nominated contractors declined to tender there is in the bundle submitted to the Tribunal an estimate from Oltec (being one of the nominated contractors) for the Works for £513,108.55. The Applicant states the contractor selected was ATI Maintenance as they offered the lowest combined tender as well as holding BM Trada and ASFP accreditation. The estimate from Oltec is approximately £86,000 more than the estimate accepted.
36. After sending out the estimate of works the Applicant did not wait for responses and failed to comply and complete the remaining stages of the Consultation Requirements.
37. The objections raised by the Leaseholders are not that the Works should not have been undertaken, but in the main the Works should have been actioned quicker by the Applicant after receipt of the Enforcement Notice, whether all of some of the Works are recoverable as service charges including whether the cost of the Works are reasonable. Those objections do not amount to relevant prejudice resulting from a failure to comply with the Consultation Requirements. It is for the Respondents to identify what they would have said if they had had the opportunity to do so.

38. The Respondents state that estimates from nominated contractors were not obtained due to the short timescales given by the Applicant and their failure to follow the Consultation Requirements. The estimate from one of those nominated contractors, Oltec, received after the date the Applicant requested estimates for the Works and therefore it does not appear was taken into account by the Applicant when it decided who to award the contract to, was significantly more than the estimate of ATI Maintenance who was awarded the contract for the Works. There is no evidence as to what the estimate of the other nominated contractor was for the Works.
39. Having read the evidence and submissions from the Applicant and the Respondents and having considered all of the documents provided by both parties, the Tribunal accepts the Works need to be carried out to comply with the Enforcement Notice and the extended deadline for compliance and for the reasons as set out above the Tribunal finds that there is no evidence that the leaseholders in this case have suffered prejudice as a consequence of the failure to comply with the Consultation Requirements. No prejudice has been identified and on the evidence before it, the Tribunal finds that it is reasonable to allow dispensation in relation to the subject matter of the application on the following terms:
- (i) The Applicant sends a copy of this determination to all Residential Long Leaseholders of the property at Sovereign House, 110 Queen Street, Sheffield, S1 2DW.
40. Nevertheless, the fact that the Tribunal has granted dispensation from the Consultation Requirements for the Works should not be taken as an indication that any service charge costs resulting from the Works are reasonable; or, indeed, that such charges will be payable by the Respondents. We make no findings in that regard – but we do consider it appropriate to make the following general observation in the particular circumstances of this case being that as with any claim for service charges, leaseholders of the Property will only be liable to contribute towards the costs of remediating the Property if and to the extent that such costs (i) are contractually payable under the terms of their leases; and (ii) are reasonably incurred.

Rights of appeal

1. 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.
2. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission to appeal must be made to the First-tier Tribunal at the regional office which has been dealing with the case.
3. The application for permission to appeal must be arrive at the regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
4. If the application is not made within the 28 day time limit, such applications 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.
5. 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 rounds of appeal and state the result the party making the application is seeking.
6. If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).