



FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference : MAN/00DA/LDC/2026/0032

Property : Candle House, 1 Wharf Approach, Leeds,
LS1 4GJ

Applicant : Granary Wharf (Candle House)
Management Limited

Representative : Watson Property Management Limited

Respondents : Residential Long Leaseholders of the
Property

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 M. Williams

Venue : Paper determination

Date of
Determination : 23 July 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 Candle House, 1 Wharf Approach, Leeds, LS1 4GJ

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 23 April 2026.
3. The Tribunal did not inspect the Property but we understand the Property is a 21 floor residential block containing 159 long-leased residential apartments and a commercial unit on the ground floor split mezzanine which has a bar and an architect's office. The freehold is vested in the Applicant and the Respondents comprise the leaseholders of the 159 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 27 May 2026 (“the Directions Order”), which set out that the Applicant should send to each Respondent a copy of the application form, the Directions Order, full statement of case, any correspondence sent to the leaseholders in relation to the works, detailed reasons for the urgency of works, any quotes or estimates and any other document to be relied on within 21 days of the date of those directions. The Respondents then had 21 days to oppose the application including sending any documents they sought to rely upon. The Applicant was then given the opportunity to provide a final statement in reply within 7 days of expiry of the date by which the Respondents were given to oppose the application.

6. The Applicant provided a bundle which included amongst other items a copy of the Tribunal application form, the Directions Order, a statement of case explaining why the application has been made to the Tribunal, various quotes from 3 different contractors, correspondence with leaseholders, invoices from Bringme Box and a Fire Resistance Test Report.
7. The application relates to the following works to the Property as set out in the application form and documents provided by the Applicant:

(a) Installation of a new smart secure parcel locker delivery system unit within the residential lobby of the Property for all residential occupiers to use.

Collectively ("the Works")

8. The Works have been undertaken and were completed in February 2026.
9. Within the bundle provided by the Applicant are 7 quotes from three different contractors being Bringme Box, The Safety Letterbox Company Ltd and Hublok. Bringme Box were selected. The Applicant states they considered suitability, usability, implementation risk, appearance, price and long term flexibility.
10. The total cost of the Works of £46,164.00 including Vat is set out in two invoices from BringmeBox:
 - Invoice dated 28/01/2026 for £18,465.60 including Vat being a payment in advance of the Works taking place; and
 - Invoice dated 28/02/2026 for £27,698.40 including Vat for the balance
11. The Applicant admits that the Consultation Requirements were not complied with. The Applicant states that historically all parcel deliveries were managed through the Granary Wharf Estate Security Office however the decision was taken to permanently close the security office from January 2026. The Applicant sets out in their statement of case that following closure, couriers began depositing parcels directly in the building lobby (which is the building's only principal means of access and egress for approximately 250 residents) and the loose stacking and sporadic accumulation of multiple parcel delivery items directly onto the entrance lobby floor space throughout the day created an immediate, critical health and safety hazard in addition to multiple loose parcel delivery obstructions which due to the layout increased the risk to resident safety during a full building emergency evacuation. The Applicant states an urgent permanent solution was required

12. The Applicant advised that the Respondents were provided with the documents required by the Directions Order. Objections were received from various leaseholders which can be summarised as follows:

- (i) The closure of the Estate Office was foreseeable and therefore there was ample time for the Applicant to follow the Consultation Requirements for the Works;
- (ii) The Consultation Requirements have not been followed and as such the leaseholders have suffered prejudice by not being able to nominate contractors or engage in the consultation process.;
- (iii) The actual cost of the Works;
- (iv) That some leaseholders have not signed up to use the parcel storage system and therefore they are paying for something they do not use;
- (v) Alternative solutions existed which included secure shelving, parcel storage area in the bin store, lower-cost parcel management options; and
- (vi) Lack of transparency and communication regarding the Works;

13. The Applicant provided a Reply to the objections which can be summarised as follows:

- (i) although notification of closure of the Estate Office was given in November 2025 the actual date for closure was not known until 23 January 2026 with the actual closure taking place on 31 January 2026;
- (ii) Procurement was competitive with seven quotations from three different suppliers being obtained;
- (iii) Accepts shelving was used as an interim measure but this was not a long terms solution as it required manual management, could not accommodate the parcel volumes created by 159 apartments and it would create congestion and safety concerns if relied upon permanently;
- (iv) 128 residents have signed up to using the parcel locker system;
- (v) There is no prejudice to the leaseholders and the physical limitations of the building meant bypassing the Consultation Requirements was necessary to protect the safety of the residents.

14. The Directions Order 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 within 49 days of the date of those directions. No representations have been made.

15. The Tribunal did not inspect the Property and it considered the documentation and information before it as set out above.

Grounds for the application

16. The Applicant set out in its application that the Works were required due to the permanent closure of the Estate Security Office in January 2026 which resulted in couriers depositing parcels directly in the building lobby. This created an immediate, critical health and safety hazard to residents meaning the Consultation Requirements could not be followed as the Works were urgent.
17. The Applicant states in its application that it has carried out the Works at a total cost of £46,164.00 including Vat.

The Issues

18. 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.
19. For clarity it is noted the Applicant confirms at question 6.3 of the application form that the application does not concern a qualifying long-term agreement. This application is only in relation to the cost of the installation of the parcel storage system and not in relation to any qualifying long-term agreement.

Law

20. 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.

21. 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.*

22. “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).

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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*".

30. *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

31. Tribunal has approached the application in accordance with the principles set out by *Daejan*. 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.
32. 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. The factual burden of identifying a credible case of relevant prejudice rests initially upon the leaseholders. 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.
33. The Tribunal has carefully considered the written objections submitted by the Respondents. The objections primarily contend that the Works were foreseeable, that consultation could and should have been undertaken, that leaseholders were deprived of the opportunity to nominate contractors or comment on estimates, and that there was insufficient transparency concerning the procurement process and overall cost of the parcel locker installation. The Tribunal accepts that consultation did not take place and that the Respondents were therefore deprived of the procedural rights ordinarily afforded by section 20. However, the loss of those procedural rights does not of itself establish relevant prejudice for the purposes of a dispensation application. The leaseholders must demonstrate, by reference to the particular circumstances of the case, how the outcome might realistically have been materially different had consultation occurred.
34. In the Tribunal's judgment, the Respondents have not discharged that burden. Although several objectors asserted that alternative solutions may have existed and that other contractors might have been available, no evidence has been produced identifying any specific alternative scheme which would have met the same operational requirements at a materially lower cost. Nor has any quotation, estimate, expert evidence or other material been provided demonstrating that the chosen system was inappropriate or that equivalent works could have been procured more economically. The assertions advanced remain at a general and speculative level.

35. The Tribunal similarly finds that complaints regarding the level of information provided about costs and procurement do not establish relevant prejudice. Questions concerning the reasonableness of the costs incurred, the procurement exercise undertaken by the Applicant, and the recoverability of any resulting service charge are matters capable of scrutiny in any subsequent proceedings under sections 19 and 27A of the 1985 Act. The present application is concerned only with dispensation from the Consultation Requirements. The Respondents have not identified any tangible disadvantage affecting their ability to challenge the reasonableness or payability of the costs at a later stage.
36. The Tribunal notes in particular that the Applicant obtained and exhibited quotations from multiple providers and provided details of its evaluation process and the reasons for selecting the installed system. Whilst the Respondents criticised that process, they did not produce evidence demonstrating that consultation would probably have led to a different contractor, a different specification, or a materially lower overall cost. The Tribunal therefore finds that no credible case of relevant financial prejudice has been established.
37. Taking the evidence as a whole, the Tribunal is satisfied that the objections raised relate principally to the Applicant's failure to undertake the statutory consultation process and to wider concerns regarding management decisions and transparency. They do not identify any actual or likely prejudice flowing from that failure which would justify refusing dispensation. Accordingly, the Tribunal concludes that the Respondents have not established relevant prejudice within the meaning of *Daejan*, and 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 Candle House, 1 Wharf Approach, Leeds, LS1 4GJ.
38. 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).