



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

Case Reference : CHI/00MR/LDC/2019/0044

Property : Nickleby House, All Saints Rd,
Portsmouth, Hampshire PO1 4EL

Applicant : Portsmouth City Council

Representative :

Respondents : None

Representative :

Type of Application : To dispense with the requirement to
consult lessees about major works

Tribunal Member(s) : Mr D Banfield FRICS

Date of Directions : 26 June 2019

DECISION

The Tribunal grants dispensation from the consultation requirements of S.20 Landlord and Tenant Act 1985 in respect of works to the lifts comprising replacing the control panels of the two lifts in the block to the latest specification compatible with retained equipment together with shaft signalisation, refurbishment of doors and all wiring.

In granting dispensation in respect of part of the Application the Tribunal makes no determination as to whether any service charge costs are reasonable or payable.

Background

1. By an application received on 28 May 2019 Portsmouth City Council made an application for dispensation from the consultation requirements of S.20 Landlord and Tenant Act 1985. (the 1985 Act)
2. The dispensation was required for works to replace the control panels of the two lifts in the block to the latest specification compatible with retained equipment together with shaft signalisation, refurbishment of doors and all wiring.
3. The Tribunal made Directions on 29 May 2019 which required the Applicant to send to each Respondent a copy of the application and the Directions together with a form to be returned to the Tribunal indicating whether the application was agreed with, whether a written statement was to be sent to the applicant and whether an oral hearing was required. The Tribunal also required that a copy of the application form and directions were displayed in each of the common parts.
4. One response has been received by the Tribunal agreeing to the application and no requests for an oral hearing have been received. The application is therefore determined on the papers received in accordance with Rule 31 of the Tribunal's procedural rules and as **indicated in Directions those Respondents who did not return a form to the Tribunal or agreed with the application are removed as such and the Tribunal will not send them a copy of this determination.**
5. The only issue for the Tribunal is if it is reasonable to dispense with any statutory consultation requirements. **This decision does not concern the issue of whether any service charge costs will be reasonable or payable.**

The Law

6. The relevant section of the Act reads as follows:

20ZA Consultation requirements:
 - a. (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.
7. The matter was examined in some detail by the Supreme Court in the case of Daejan Investments Ltd v Benson. In summary the Supreme Court noted the following
 - b. The main question for the Tribunal when considering how to exercise its jurisdiction in accordance with section 20ZA (1) is the real prejudice to the tenants flowing from the landlord's breach of the consultation requirements.

- c. The financial consequence to the landlord of not granting a dispensation is not a relevant factor. The nature of the landlord is not a relevant factor.
- d. Dispensation should not be refused solely because the landlord seriously breached, or departed from, the consultation requirements.
- e. The Tribunal has power to grant a dispensation as it thinks fit, provided that any terms are appropriate.
- f. 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 (1).
- g. 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.
- h. The 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.
- i. 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.
- j. Once the tenants had shown a credible case for prejudice, the Tribunal should look to the landlord to rebut it.

Evidence

- 8. The work for which dispensation is requested is referred to in paragraph 2 above. It is explained that it is proposed to instruct their Service Provider Axis/CES as their prices were agreed in 2011 when rates were low and have only been subsequently increased by the trade inflation rates.
- 9. The Applicant explains that the project needs to be completed urgently to remove the risk of the lifts failing. Quotations will be obtained from the two-existing long-term service providers and the cheaper price accepted.

Determination

- 10. Clearly it is necessary to ensure the continued availability of the lifts and it is noted that competitive quotations have been obtained from two suppliers.
- 11. No lessee has sent an objection to the Tribunal and no evidence of the type of prejudice referred to in paragraph 7 above has been identified. In these circumstances, I am prepared to grant the dispensation required.**
- 12. The Tribunal therefore grants dispensation from the consultation requirements of S.20 Landlord and Tenant Act**

1985 in respect of works to the lifts comprising replacing the control panels of the two lifts in the block to the latest specification compatible with retained equipment together with shaft signalisation, refurbishment of doors and all wiring.

13. In granting dispensation in respect of part of the Application the Tribunal makes no determination as to whether any service charge costs are reasonable or payable.

D Banfield FRICS
26 June 2019

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office, which has been dealing with the case. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
2. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
3. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal and state the result the party making the appeal is seeking.