



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

Case Reference : CHI/00HE/LDC/2022/0040

Property : Salt Apartments, Belyars Lane, St.Ives,
Cornwall TR26 2GH

Applicant : SF Ground Rents No. 23G Limited

Representative : Belmont Property Management

Respondent :

Representative :

Type of Application : To dispense with the requirement to
consult lessees about major works section
20ZA of the Landlord and Tenant Act 1985

Tribunal Member : D Banfield FRICS
Regional Surveyor

Date of Decision : 11 August 2022

DECISION

Background

1. The Applicant seeks dispensation under Section 20ZA of the Landlord and Tenant Act 1985 from the consultation requirements imposed on the landlord by Section 20 of the 1985 Act. The application was received on 31 March 2022.
2. The Applicant explains that the property is a purpose built block of 12 flats.
3. The reason for the works is that *“The Roof of the building has failed due to poor fitting. A warranty claim has been made, however, due to the underwriter taking over 12 months to deliberate a settlement or cover the works. The Landlord must now repair the roof and seek to recover the funds, accordingly. If a settlement can be achieved cost would be reimbursed to the Leaseholders.”*
4. The Tribunal notes that the works have yet to be carried out. The application states that *“Appendix 4 of section 20, Notice of Intent has been sent.”*
5. The Tribunal made Directions on 4 May 2022 indicating that it considered that the application was suitable to be determined on the papers without a hearing in accordance with Rule 31 of the Tribunal Procedure Rules 2013 unless a party objected.
6. The Tribunal required the Applicant to send its Directions to the parties together with a form for the Leaseholders to indicate to the Tribunal whether they agreed with or opposed the application and whether they requested an oral hearing. Those Leaseholders who agreed with the application or failed to return the form would be removed as Respondents. The Applicant confirmed that the Tribunal’s Directions had been served as required.
7. No communication was received from the Applicant despite an email from the Tribunal seeking confirmation of compliance on 26 May 2022.
8. The application was therefore automatically struck out under Rule 9(1) of The Tribunal Procedure (First-Tier Tribunal) (Property Chamber) Rules 2013. The Strike Out Order set out an entitlement to seek permission to appeal the Order.
9. On 23 June 2022 an application was made to re-instate the Application on grounds accepted by the Tribunal following which amended Directions were made on 5 July 2022.
10. By an email on 13 July 2022 Mr Seaton Burridge of Belmont Property Management confirmed that a copy of the Application and the Tribunal’s directions had been forwarded to the Respondents.

11. No responses were received and in accordance with Paragraph 6 above the lessees are removed as Respondents.
12. No requests for an oral hearing were made and the matter is therefore determined on the papers in accordance with Rule 31 of the Tribunal's Procedural Rules.
13. Before making this determination, the papers received were examined to determine whether the issues remained capable of determination without an oral hearing and it was decided that they were, given that the application remained unchallenged.
14. The only issue for the Tribunal is whether 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

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

S.20 ZA Consultation requirements:

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.

16. 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;
 - The main question for the Tribunal when considering how to exercise its jurisdiction in accordance with section 20ZA is the real prejudice to the tenants flowing from the landlord's breach of the consultation requirements.
 - 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.
 - Dispensation should not be refused solely because the landlord seriously breached, or departed from, the consultation requirements.
 - The Tribunal has power to grant a dispensation as it thinks fit, provided that any terms are appropriate.
 - 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).

- 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.
- 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.
- 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.
- Once the tenants had shown a credible case for prejudice, the Tribunal should look to the landlord to rebut it.

Evidence

17. The Applicant's case is set out in paragraphs 3 and 4 above.

Determination

18. Dispensation from the consultation requirements of S.20 of the Act may be given where the Tribunal is satisfied that it is reasonable to dispense with those requirements. Guidance on how such power may be exercised is provided by the leading case of Daejan v Benson referred to above.
19. The issue I must consider is whether, by not being consulted as required by S.20, the Lessees have suffered prejudice. No objections have been received and no evidence of prejudice has been submitted.
20. A Notice of Intent has been served and the Tribunal has been told that the Leaseholders have discussed and agreed in principle to waive their rights if needed.
21. I accept that the repair of the roof should be conducted without delay and given that no objections have been received and no evidence of prejudice has been submitted the Tribunal grants Dispensation **from any of the consultation requirements of S.20 Landlord and Tenant Act 1985 remaining**

outstanding at the date of this decision in respect of the carrying out of roof repairs.

22. **Nothing in this decision comprises a determination as to whether any service charge costs are reasonable or payable.**
23. **The Applicant is to send a copy of this determination to all of the lessees liable to contribute to service charges.**

D Banfield FRICS
11 August 2022

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. 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.
3. 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.
4. 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 application is seeking.