

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL
LEASEHOLD VALUATION TRIBUNAL

Case Reference: LVT/0043/03/24

Property: 1 – 32 Ocean Buildings, Bute Crescent, Cardiff, CF10 5AY

Applicant Ocean Buildings (Cardiff) RTM Company Limited

Representative Stephanie Turner Property Manager

Respondent The Leaseholders Tenants
Ocean Buildings, Cardiff

Representative N/A

Type of Application Landlord and Tenant Act 1985 - section 20ZA

Tribunal Members Tribunal Judge J Rostron
Surveyor Andrew Weeks FRICS

DECISION

Compliance with the consultation requirements of section 20 of the *Landlord and Tenant Act 1985* [the “Act”] is dispensed with in relation to works comprising and ancillary to the repairs to the lift.

REASONS

Background

1. An application dated 6 March 2024 was made to the Residential Property Tribunal (“the Tribunal”) under section 20ZA of the *Landlord and Tenant Act 1985* (“the Act”) for dispensation from compliance with the consultation

requirements of section 20 of the Act. Those requirements (“the consultation requirements”) are set out in *The Service Charges (Consultation Requirements) (Wales) Regulations 2004* (“the Regulations”).

2. The application relates to 1 – 32 Ocean Buildings, Bute Crescent, Cardiff, CF10 5AY (“the Property”) and was made by Ocean Buildings (Cardiff) RTM Company Limited (“the Applicant”).
3. The Respondents to the application are the Leaseholder Tenants of Ocean Building, Cardiff.
4. The only issue for the Tribunal to determine is whether it is reasonable to dispense with the consultation requirements.
5. The works in respect of which a dispensation is sought concern urgent remedial works to repair the lift which is required to enter and exit the building. The specific repairs are for; Parts and Labour Required: Rescue System Replacement Crank Kit; Brake Release Cable, and Emergency Lowering Pinion Release Cable.
6. On 1 May 2024 the Tribunal issued directions. It recorded that none of the tenants have applied to be joined as Respondents after being invited by the Tribunal to do so by email on 18 March 2024 and letter dated 20 March 2024. It informed the parties that, unless the Tribunal was notified that any party required an oral hearing to be arranged, the application would be determined upon consideration of written submissions and documentary evidence only. No such notification was received, and the Tribunal accordingly convened in the absence of the parties to determine the application.
7. No submissions were received from the Respondents.
8. The Tribunal met remotely at 11.00am on 11 July 2024 to consider the evidence before it. No other participants attended. An inspection was not considered necessary. The bundle of papers included, Application Form dated 6 March 2024, Leaseholders Notice to Carry Out Works dated 6 March 2024, Quotation by Cardiff Lift Company Limited dated 4 March 2024, Directions dated 1 May 2024, Witness Statement by Stephanie Turner Property Manager dated 29 May 2024 and Decision dated 4 April 2022 by the First-tier Tribunal Property Chamber (Residential Property) of D Banfield FRICS Regional Surveyor.

Grounds for the application

9. The Applicant seeks dispensation from the consultation requirements and submits a brief description of the reasons contained in the application form by Stephanie Turner Property Manager: -

“The use of the lift is vital for a number of residents to safely enter and exit the building and reach their apartments. The lift has been isolated due to issues with the rescue system.”

Law

10. Section 18 of the 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.

11. Section 19 of the 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.

12. “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 Act.

13. Section 20ZA(1) of the Act provides:

Where an application is made to the appropriate tribunal for a determination to dispense with all or any of the consultation requirements in relation to any qualifying works ... the tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.

14. Reference should be made to the Regulations themselves for full details of the applicable consultation requirements. In outline, however, they require a landlord 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.

Decision and Conclusions

15. The Tribunal must decide whether it is reasonable for the works to go ahead without first complying with the consultation requirements. Those consultation requirements provide for a degree of transparency and accountability when a landlord decides to undertake qualifying works. The requirements ensure that leaseholders have the opportunity to know about, and to comment on, plans to carry out major works, usually before those decisions are taken. It is reasonable that the consultation requirements should be complied with unless there are good reasons for dispensing with all or any of them on the facts of a particular case.
16. Therefore, in order to dispense with the consultation requirements, the Tribunal needs to be provided with a good reason why the works cannot be delayed until the requirements have been complied with. It is for the Tribunal to weigh the balance of prejudice between the need for swift remedial action to ensure that the safe condition of the Property did not deteriorate further and the legitimate interests of the leaseholders is being properly consulted. The Tribunal must consider whether this balance favours permitting the works to have been undertaken without consultation, or whether it favours prior consultation in the usual way. The balance is likely to be in favour of dispensation in a case in which there is an urgent need for remedial or preventative action, or where all the leaseholder's consent to the grant of a dispensation.
17. In this case, given the urgent need to repair the lift and lack of any objections from the residents, the balance is clearly in favour of the Applicant.
18. In the circumstances, the Tribunal is satisfied that it is reasonable to dispense with the consultation requirements. However, none of the parties should take this as an indication that the Tribunal views the amount of the anticipated service charges resulting from the works likely to be reasonable;

or, indeed, that such charges will be payable by the Respondents. The Tribunal makes no findings in that regard.

Dated this 12th day of July 2024

Dr J Rostron
Chairman of Tribunal