



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

Case reference : **CAM/22UJ/LDC/2025/0670**

HMCTS code : **P:PAPERREMOTE**

Properties : **All Properties that are the subject of the Application**

Applicant : **Harlow District Council C/O Home Ownership Team**

Respondent : **The long leaseholders of the Properties**

Type of application : **Dispensation from the consultation requirements as set out in Section 20ZA of the Landlord and Tenant Act 1985**

Tribunal members : **Mr P Roberts FRICS CEnv**

Date of Determination : **14 December 2025**

DECISION

This has been a determination on the papers which the parties are taken to have consented to, as explained below. The form of determination was a paper hearing described above as **P:PAPERREMOTE**. A hearing was not held, and all issues were determined on the papers. The Applicant submitted a bundle. The Tribunal has noted the contents and the decision is below.

Decision

The Tribunal grants the application for retrospective dispensation from further statutory consultation in respect of the works as described below.

The Applicant shall be responsible for serving a copy of this Decision on all of the Lessees.

In granting dispensation, the Tribunal makes no determination as to whether any service charge costs are reasonable or payable (section 27A of the Act). The Tribunal also makes no determination in respect of the liability for the cost of the works.

Reasons

Background

1. The Applicant seeks a determination pursuant to section 20ZA of the Landlord and Tenant Act 1985 (the “Act”) for retrospective dispensation from the statutory requirement to consult in respect of qualifying works.
2. The Application was completed by C Hicks on 29 August 2025. This Decision therefore relates to that Application.
3. No representations have been received by the Tribunal from any of the Lessees.
4. Before making this determination, the papers received by the Tribunal were examined to determine whether the issues remained capable of determination without an oral hearing and it was decided that they were, given the lack of any challenge.
5. **The only issue for determination is whether it is reasonable for the Tribunal to dispense with the statutory consultation requirements.**
6. **The Tribunal has not considered whether the service charge costs will be reasonable or payable, nor by whom they will be payable.**

The Law

7. Section 20 ZA (1) of the Act states:

“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.”

8. In having regard to the question of reasonableness, the Tribunal has considered the extent to which the Lessees would be prejudiced in dispensing of the requirements.
9. The Supreme Court provided guidance to the Tribunal in the application of section 20 AA (1) of the Act in case of *Daejan Investments Ltd v Benson and others* [2013] UKSC 14 (the “Daejan case”). The principles can be summarised as follows:
 1. The main question for the Tribunal when considering how to exercise its jurisdiction in accordance with section 20ZA is whether there is real prejudice to the tenants flowing from the landlord’s breach of the consultation requirements.
 2. 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.
 3. Dispensation should not be refused solely because the landlord seriously breached, or departed from, the consultation requirements.
 4. The Tribunal has power to grant a dispensation as it thinks fit, provided that any terms are appropriate.
 5. 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).
 6. The legal burden of proof in relation to dispensation applications is on the landlord. The factual burden of identifying any “relevant” prejudice that they would or might have suffered is on the tenants.
 7. The court considered that “relevant” prejudice should be given a narrow definition; it means whether noncompliance 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.
 8. 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.
 9. Once the tenants had shown a credible case for prejudice, the Tribunal should look to the landlord to rebut it.

10. The Tribunal has therefore applied the statutory provisions in accordance with the approach taken in the Daejan case.

Representations – The Applicant

11. The Applicant's description of the Properties to which their application relates is as follows:

“The application for Dispensation effects (sic) all the landlords (sic) properties provided with communal lighting or District Hearing (services for which there is a cost for energy usage, electricity or gas).

The property types range from studio to 4 bedroom flats and maisonettes, across a range of blocks, from two storey corner blocks to 14 storey tower blocks.

There is a total of 5646 residential domestic properties, including both Leasehold and Tenanted, across 590 flat blocks that will pay a service charge relating to the procurement of this contract.”

12. The Applicant's description of the qualifying works is:

“We intend to enter into Qualifying Long Term Agreement with effect from 1 April 2026 to 31st March 2028 for both Gas and Electricity Supplies.”

13. The Applicant confirmed that:

“There are 5646 properties whose Residents will be subject to the Qualifying Long Term Agreement.

We propose we will write to all Residents once the initial directions are received from the FTT to:-

- 1. Inform them of the application (enclosing the tribunals response form)*
- 2. Advise them a copy of the application is on our website - which will be updated as the application processes (sic)*
- 3. Inform them how they can request a hard copy of the application*

Given the number of residents concerned and the cost of mailing, we do not contemplate any further mailings to Residents.”

14. The Applicant explained that they seek dispensation as:

“Market volatility means that prices are often only held for a few hours which does allow for a full Section 20 consultation process to be adhered to. Harlow DC are committed to providing the best value services for our tenants and wish to take a more risk managed

approach to the procurement energy. Being in the market as early as possible provides the best opportunity for risk managed procurement.

By having a long-term contract with a supplier, the leaseholders and tenants will have a longer period secured to receive stable and fairer prices. A long-term agreement will also allow for easier budgeting and setting of annual service charges. This will help Harlow DC to manage their expenses more efficiently and will also prevent any surprise increases further down the line.

A benefit to having a long-term energy agreement is that it will prevent the need to renew the contract every 12 months with the resulting associated fees. Each time an agreement is renewed, both parties have to pay for re negotiation, re-tendering, and sourcing, which adds up over time. These costs will be avoided on behalf of the leaseholders and tenants.

The applicant recognises the difficulties their residents are facing in this current financial climate and want to maximise their opportunities for passing reduced energy costs onto them as soon as we can. Energy as a commodity is volatile with energy prices changing between 3-20%. We would like to provide longer term protection for our residents.”

15. The Applicant provided a copy of a template letter dated 29 September 2025 informing residents of this proposal together with a screenshot of the webpage providing further information in respect of this reference.
16. The Tribunal was also provided with a detailed Witness Statement prepared by Robin Clark (Client Services Director at Inspired PLC) on behalf of the Applicant. The Tribunal is grateful for the detailed explanation provided therein of the proposals and justification for this application.

Representations – The Lessees

17. Ms K Phillips, on behalf of the Applicant, confirmed that all the respondents were advised of these proceedings in writing on 29 September 2025 and, as of 17 October 2025, no objections had been received.
18. The Tribunal has similarly not received any objections.

Determination

19. As set out above, the Tribunal may grant dispensation “...if satisfied that it is reasonable to dispense with the requirements”.
20. In making its decision the Tribunal has regard to the extent to which any real prejudice has arisen to the Lessees as a result of the Applicant breaching the consultation requirements.

21. No objections or representations have been received by the Tribunal from the Lessees. In this regard, the Lessees have received the Tribunal Directions and are therefore considered to have been given ample opportunity to submit representations should they have so wished.
22. The Tribunal therefore considers that it has not seen any evidence of prejudice arising to the Lessees. Furthermore, it is apparent from the submissions that the required works were necessary and further delay in their implementation would have been prejudicial to the continued safety of the Leaseholders.
23. The Tribunal consequently grants dispensation from the remaining consultation requirements of section 20 of the Landlord and Tenant Act 1985.
24. In granting dispensation, the Tribunal makes no determination in respect as to whether any of the resultant service charge costs are reasonable or payable.
25. The Applicant shall comply with the requirements as set out under the section headed "Decision" above.

Name: Peter Roberts FRICS CEnv

Date: 14 December 2025

Rights of appeal

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.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application 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.

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 grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).