

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference

: LON/00BK/LDC/2014/0102

Property

Regis House, 47-49 Beaumont

Street, London W1G 6DL

Applicant

: Beechwood Limited

Representative

H B Surveyors and Valuers

Managing Agents

First Respondent

Regis House Residents' Association

Second Respondent : The long leasened application form

:

The long leaseholders listed in the

Type of application

To dispense with the requirement

to consult lessees in respect of proposed major works (S20ZA Landlord and Tenant Ac 1985)

Tribunal members

Mr P M J Casey MRICS

Decision venue and

date

17 September 2014

10 Alfred Place London WC1E 7LR

Date of Decision

:

22 September 2014

DECISION

DECISION

Having considered the papers the Tribunal is satisfied that it is reasonable to grant dispensation from the consultation requirements set out at section 20 of the Landlord and Tenant Act 1985 ("the Act") and the Service Charge (Consultation requirements) (England) Regulations 2003. This dispensation does not preclude the Respondents, or any one of them, challenging the reasonableness of the works as provided for at sections 19 and 27A of the Act.

BACKGROUND

- 1. By an application dated 13 August 2014 H B Surveyors and Valuers, managing agents for the freeholder Beechwood Ltd sought dispensation from the consultation requirements under s20 of the Act, pursuant to s20ZA.
- 2. The building to which the application relates Regis House 47-49 Beaumont Street, London, W1G 6DL is said to be a purpose built block of 18 flats caretaker's accommodation with commercial units at ground floor level and a basement car park. It was built in 1967.
- 3. The Application gives the following explanation as to why dispensation from the consultation process is sought:

"The qualifying works relate to replacement of defective equipment used as part of the passenger lift. Due to the defective equipment the passenger lift is no longer operational. This has stranded a number of elderly persons, as well as families and other vulnerable people on the upper floors who cannot easily use the stairs. Additionally required components will take some time to manufacture and install and therefore it is imperative we obtain dispensation to enter into a contract as soon as possible."

The application goes onto state that the works to be undertaken entail the replacement of the defective electro-mechanical control unit for the passenger lift as No 49. The lifts date from 1967, all components are obsolete and manufacturer's designs are no longer available for retrofitting so that replacement parts will have to be manufactured. The lift is currently completely non-operational.

- 4. In a bundle provided for the paper determination of this application there was a copy of the Tribunal directions issued on 22 August 2014, a sample lease a report dated 3 September 2014 from Skyline Lift Services Ltd detailing the causes of the breakdown and giving a quotation for the cost of the works needed to restore operability and Health & Safety compliance in the sum of £25,315 plus VAT a copy of an initial notice under section 20 and other items of correspondence.
- 5. With the directions issued, a form of response was sent out to be completed by each leaseholder. At the time of this determination no individual had

- responded but the Residents Association sent a letter to the Tribunal on 26 August 2014 fully supporting the application.
- 6. The Initial Notice under S20 referred to above was sent to leaseholders on 11 August 2014, prior to the lift breakdown. The works envisaged a major roof overhaul as well as the start of a phased plan to replace both lifts in the building.
- 7. The specimen lease included in the bundle contains at Clause 5(4) the landlord's covenant to keep the building, etc in repair whilst 5(5) is a specific clause for the landlord "To use its best endeavours to keep in running order the lifts installed in the Residential Part and ...".

THE LAW

<u>Landlord and Tenant Act 1985 (as amended)</u> Section 20

- (1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—
 - (a) complied with in relation to the works or agreement, or
 - (b) dispensed with in relation to the works or agreement by (or on appeal from) a leasehold valuation tribunal.
- (2) In this section "relevant contribution", in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.
- (3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.
- (4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—
 - (a) if relevant costs incurred under the agreement exceed an appropriate amount, or
 - (b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.
- (5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—
 - (a) an amount prescribed by, or determined in accordance with, the regulations, and
 - (b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.

- (6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.
- (7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.

FINDINGS

- 8. The Tribunal's decision has been reached on the basis of the relevant provisions of the Act and the Supreme Court decision in Daejan v Benson. It is clear from the papers that urgent attention is required to the lift which quite reasonably the landlord and residents wish to see restored to running order as soon as possible.
- 9. The lessor's covenants include the maintenance of the lift.
- 10. The Tribunal is satisfied from the papers that the Respondents have been informed of the cost and need for the work. No Respondent has objected and none have put forward any evidence of prejudice caused to them by dispensation being granted. Indeed the Residents Association have expressed strong support for the repairs to be effected without delay. Accordingly the Tribunal grants dispensation under the provisions of \$20ZA of the Act in respect of the consultation requirements for the works envisaged under the Skyline Lift Services Ltd's quote in the sum of £25,315 plus VAT.
- 9. It should be noted however, that such dispensation does not remove the need for the Applicant to satisfy the provisions of section 19 of the Act as to the reasonableness of the works, in particular the standard and the costs. Any Respondent unhappy with those elements has the protection afforded them by s27A of the Act.

Chair: Patrick M J Casey 22 September 2014