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RESIDENTIAL PROPERTY TRIBUNAL

LEASEHOLD VALUATION TRIBUNAL

In the matter of an application under section 20ZA of the Landlord and Tenant Act 1985

Premises: Hanbury Court, 41-42 Hanbury Road, Bargoed, Mid Glamorgan, CF81 8QU

Reference: LVT/0051/03/15

Hearing: 23rd April 2015

Decision: 8th May 2015

Applicant: NOS 2 Ltd

Respondents: The Tenants of Hanbury Court

Members of the Tribunal: Mr E Mitchell (Chairman); Mr M Taylor (Surveyor member); Ms A Ash (Lay Member).

DECISION

The Tribunal grants the Landlord's application under section 20ZA of the Landlord and Tenant Act 1985 to dispense with all of the applicable consultation requirements under section 20 of that Act. However, that dispensation is given on the following terms:

(a) dispensation is only granted in relation to the works set out in the specification at tab 8 of the hearing bundle. Those are the qualifying works;

(b) dispensation is only granted if the qualifying works are carried out by the Landlord's preferred tenderer, A & N Lewis Ltd, under a contract which reflects the terms of its tender for the works. However, this term does not apply if all Tenants agree it should not;

(c) none of the costs of the Landlord in making this application are to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by any tenant, as if an order to that effect had been made under section 20C of the Landlord and Tenant Act 1985. (No order could be made under that section because an application for an order had not been made.);

(d) before entering into a contact with A & N Lewis Ltd in respect of the qualifying works, the Landlord shall invite each Tenant (that is each leaseholder) to a meeting with a representative of the Managing Agents and A & N Lewis Ltd. The purpose of

the meeting shall be to discuss the history of water ingress at Hanbury Court and address with any queries Tenants may have about the qualifying works;

(e) during the course of the qualifying works, the Landlord shall invite each Tenant to at least two meetings with a representative of the Managing Agent and A & N Lewis Ltd. The purpose of the meeting shall be to address with any queries tenants may have about the qualifying works;

(f) the meetings referred to in (d) and (e):

(i) shall be held at or in the vicinity of Hanbury Court;

(ii) shall be preceded by five clear days' notice given by the landlord to each tenant (notice may be given by email);

(iii) may be attended by a person who is not a Tenant (for example a sub-tenant) if that is authorised by a Tenant.

REASONS FOR DECISION

1. This was an application brought by the Landlord of Hanbury Court, 41-42 Hanbury Road, Bargoed, CF81 8QU. The Landlord sought from the tribunal a determination dispensing with statutory consultation requirements under section 20 of the Landlord and Tenant Act 1985 in relation to proposed qualifying works.

Background

The property

2. Hanbury Court is comprised of two adjacent, but connected, buildings standing on Bargoed's main street. These are known as the Main Building, which has four floors, and the Northern Building, which has three.

3. Most of the ground and first floors of Hanbury Court are used for commercial purposes and let to commercial tenants. Hanbury Court also contains seven flats together with common parts serving those flats. The flats are numbered 1, 2, 5, 6, 7, 8 and 9. There are no flats numbered 3 or 4.

4. The freehold of 41-42 Hanbury Court is vested in a company called NOS 2 Ltd and they are the Landlord, for the purposes of the Landlord and Tenant Act 1985, of the flats within Hanbury Court. In this application, they act through their managing agents Eddisons Chartered Surveyors. Mr Lewington of Eddisons has had conduct of the matter.

5. There are four respondents to this application, being the Tenants of the Hanbury Court flats:

(a) Mr Mark Gale, who is the leaseholder of flats 2 and 5;

(b) Mrs Rachael Ross, the leaseholder of flats 1, 6 and 9;

(c) Mrs A Walker, the leaseholder of flat 7;

(d) Mr Stephen Morgan, the leaseholder of flat 8.

6. Mrs Walker and Mr Morgan reside in their flats. Flats 1, 2, 5 and 6 are sub-let to residential tenants under assured shorthold tenancies. At the date of both the application and the inspection/hearing, flat 9 was vacant.

7. The section 20ZA application form is dated 3rd February 2015, although it seems it was not received by the Tribunal until 4th March 2015. The form was completed by Mr Lewington. It sought dispensation of consultation requirements in relation to proposed qualifying works. The works were described in a specification attached to the application. The form said the application was urgent due to "continued water penetration into flats". In response to the form's request for details of the consultation that has been, or is proposed to be carried out, there was written "as above" which seems to have been a reference to the specification of works rather than details of consultation.

8. A procedural chairman issued directions, dated 17th March 2015. So far as the applicant was concerned, these required service of a statement by 25th March 2015 dealing with various relevant specified matters. These included an explanation of why the works needed to be carried out, why they were described as urgent, an estimate of costs and duration of works, whether dispensation was sought in relation to all or only some of the consultation requirements, why in the landlord's opinion dispensation was reasonable, an explanation for the apparent delay in bringing the application and the landlord's opinion as to whether the tenants would suffer any prejudice were dispensation granted.

9. The Landlord, through Mr Lewington, served a statement dated 23rd March 2015 in response to the directions. To a significant extent, this addressed the matters referred to in the directions. Certain matters were not fully addressed and these were raised with Mr Lewington at the hearing.

10. The Landlord was also directed to produce a hearing bundle and serve on the Tribunal and the parties, by 15th April 2015. This was done. Below in this decision, references to tabs are to tabs of that bundle.

11. The directions also fixed a hearing, and inspection, for 23rd April 2015

12. The Tenants were directed to file a statement in response by noon on 8th April 2015. This was to include submissions as to whether it would be reasonable to dispense with consultation requirements, whether they would suffer prejudice if dispensation were granted. Only one tenant responded to this direction, Mrs Ross. However, her statement, as explained below, did not really address the substance of the landlord's application. None of the tenants attended the hearing.

13. The Tenants' stance meant the Tribunal had before it no reasoned objection to the application by reference to the applicable law. Inevitably, therefore, the Tribunal had no arguments from the Tenants on the following matters: whether the proposed works

were necessary or appropriate, including whether they were genuinely urgent; whether the steps taken by the landlord to involve the tenants in specifying or tendering for the works satisfied any of the statutory consultation requirements; whether dispensation of the requirements, in whole or part, would cause them prejudice; whether it was reasonable to dispense with all or some of the consultation requirements; whether the landlord had unreasonably delayed in bringing this application.

The history of water ingress at 41-42 Hanbury Road

14. Water ingress has been a problem at Hanbury Court over recent years. None of the parties disputed that. It was also apparent at the Tribunal's inspection of the property.

15. Damp within the property led the local council on 20th July 2013 to issue an improvement notice under the Housing Act 2004 in respect of Hanbury Court. The notice is at tab 7 of the appeal bundle. It identifies what is known as a category 1 hazard. As a result of the notice, flat 9 has been vacant for a number of months

16. In response to the improvement notice, Trident Building Consultancy ("Trident") were instructed by Eddisons to inspect the property. They produced a report on 6th August 2013 (tab 5). We note the report states "the property …appears to have been poorly maintained over a period of time". Following this, during 2014, extensive works to try and deal with water ingress, amongst other matters, were carried out at a cost of over £40,000. Those works were completed in November 2014. According to Mr Lewington's statement of 23rd March 2015 (tab 2), those works were preceded by consultation under section 20 of the Landlord and Tenant Act 1985. This application does not concern those works.

Why the present works are proposed

17. No party argues that the 2014 works solved the problem of water ingress at Hanbury Court.

18. On 18th November 2014, Trident further reported (tab 6) that there was neither flashing nor a damp proof course beneath the coping stones of the gable wall parapet and they were also positioned so that rainwater ran directly onto and probably behind the render finish. This was thought to have caused the stonework at high level to become saturated with moisture which then seeped downwards. The cause of water ingress at the Northern Building was more difficult to identify but was thought likely to be a similar structural defect. Additionally, the rendering on the Northern Building was in poor condition which exacerbated the ingress problem for some flats. Further, the previous use of impervious cement mortar, rather than the original 'breathable' lime mortar, exacerbated the damp problem. Trident identified those works which they thought were likely to be the "appropriate remedy":

(a) leadwork capping of front elevation parapets of the main and northern building;

(b) replacement of cement mortar with lime on front elevation stonework;

(c) repairs to decorative stonework and cills on windows of the northern building

19. That was followed by a more detailed specification of works prepared by Eddisons on 10th December 2014, at tab 8 of the tribunal papers. In substance, this reflected the works predicted in the earlier letter. These works have become the proposed qualifying works with which this application is concerned.

Involvement of the tenants in specifying and tendering for the qualifying works

20. The appeal bundle contains evidence about the involvement of the Tenants in the process by which the landlord specified and tendered for the proposed qualifying works. This evidence takes the form of copies of correspondence and the contents of Mr Lewington's statement at tab 2.

21. To the extent that Mr Lewington's statement made assertions of fact, they were accepted by the Tribunal. This was because: the contents of Mr Lewington's statement were not disputed in any material respect by any of the Tenants; the contents were not inconsistent or incompatible with any of the other evidence; Mr Lewington made a positive impression on the Tribunal at the hearing, giving evidence in a straightforward and helpful way without evasion. However, we do not accept that a second improvement notice was served by the local council on 5th December 2014, as the statement maintains. While the council did write to the landlord on this date, their letter simply drew attention to the earlier improvement notice, noting that it had 'expired' and requesting information about when the works would be completed. This inaccuracy was simply a mistake on Mr Lewington's part.

22. Eddisons tendered for the works specified in the Trident report. A schedule of works was prepared by Trident and (as Mr Lewington's statement put it) "circulated to contractors" on 11th December with a return date of 14th January 2015. Then a "tender report" was sent by email to the leaseholders on 15th January 2015.

23. Within tab 9, the appeal bundle contains an email from one of the tenants, Mr Morgan, dated 18th January 2015. It says he has read the tender report, agrees with the selection of the cheapest tenderer and urges a rapid start to the the works. Another tenant, Mr Gale, also sent an email to Mr Lewington. He requested an early start to the works, using the cheapest tenderer, although he expressed surprise that one particular building firm had been invited to tender. That firm was not selected as the landlord's preferred contractor.

24. Meanwhile, on 28th January 2015 the local authority emailed Eddisons to say they had arranged a "case conference with our legal team next week to discuss this case". At the hearing, Mr Lewington said he told the council about the proposed works and that a section 20ZA application would be made. The council indicated they would not take enforcement action while the application was pending.

25. Despite his earlier agreement, on 31 January 2015 Mr Stephen Morgan sent a strongly worded email in which he withdrew support for the works. He said he did not agree to any works at all but did not explain why. Mark Gale then sent an email saying he agreed with Mr Morgan and that the owners of the flats should get together

and “run this ourselves”. Like Mr Morgan, Mr Gale did not say why he now disagreed with any works being carried out.

26. In a statement filed in response to the Tribunal’s directions (tab 12), Mrs Ross accepted that the works “need to be undertaken” but asserted that the Tenants should not be expected to pay for them because they were dealing with a problem that the 2014 works were supposed to have addressed. Earlier (tab 3) Mrs Ross had objected to use of the ‘accelerated procedure’ but, again, her objection was to paying for works that she said would not have been needed if the 2014 works had been properly carried out.

27. On 2 February 2015, Mr Lewington emailed all the tenants and said an application would be made to the Tribunal under section 20ZA to “have the three months consultation period set aside on the basis that the work requires undertaking as a matter of priority” and that the intention was to instruct the cheapest tenderer, A & N Lewis Ltd. This also said that, in any event, building surveyors now advised that the works ought not to commence before the end of March 2015 because application of lime mortar required milder weather conditions.

28. The Landlord’s position is that they have identified a preferred contractor (the cheapest tenderer) and wish to instruct them to start the works as soon as possible.

Landlord’s obligations under the lease

29. The appeal bundle includes a copy of the long lease granted to Rachael Ross in relation to Flat 1. The appeal bundle was sent to the leaseholders and none of them have argued that their leases are in different terms. The Tribunal proceeds on the basis that, in material respects, the leases for all the flats make the same provision.

30. By section 6.1 of the lease, the Landlord’s covenants, subject to certain conditions, to “carry out as the Landlord reasonably considers necessary the Services specified in Part 1 of the Second Schedule for the benefit of the Development…” Within Part 1, there is specified “the maintenance repair renewal replacement decoration and cleaning of the Internal Common Parts”. The lease contains a definitions section at the beginning which includes “the Structural Parts” within the “Common Parts”. “Structural Parts” includes:

> “the foundations of the Building, the main structural frame and the exterior of the Building including all exterior walls, window frames and doors to the exterior and all patios roof terraces and balconies and all the Building’s load bearing columns and walls any party walls, the structural parts of the floors and ceilings and the timbers stanchions and girders and roofs of the Building (at whatever level) and floor slabs”

31. Part 1 of the Second Schedule also specifies, as item 5, “Any other service matter or thing which the Landlord may consider reasonable or necessary from time to time to maintain the facilities available within the Common Parts and the use which can be made of the same by the tenants of the Development.”

32. Section 5 of the lease includes the Tenant's covenant to pay the service charge for the Services. The Landlord also has power under the lease to allot a "fair and proper proportion" of the costs of the Services to the Tenant.

33. The Tribunal also notes by section 6.5 the Landlord covenants to "keep or cause to be kept proper books of account with respect to – 6.5.1 – all sums of money expended and all costs incurred by the Landlord in the provision of the Service".

The inspection and the hearing

34. The members of the Tribunal carried out an inspection of Hanbury Court on 23rd April 2015, which lasted from approximately 9.40 a.m. until 11 a.m. The members were accompanied by Mr Lewington, a gentleman who was the partner of Mrs Walker (leaseholder of flat 7), and Mr Morgan, the leaseholder of flat 8. All of the flats were inspected apart from flat 5 whose occupant did not answer its door (Mr Lewington informed the Tribunal that, prior to the inspection, all occupants of the flats had consented to inspection). The Tribunal also viewed the front and back elevations of Hanbury Court.

35. The inspection showed that water ingress was indeed a significant problem within the Hanbury Court flats. Water damage to internal plaster and ceilings was apparent in each flat, being concentrated on the internal walls and ceilings at the front of the building. The extent of water penetration appeared greater in the higher flats. The vacant flat 9, on the top floor, appeared the most severely affected with extensive damp-related black mould on the walls and ceiling. This pattern of ingress-related damage was consistent with the principal source of ingress being at or around the gable of the front elevation.

36. None of the tenants attended the hearing, later on 23rd April 2015. At the inspection, Mr Morgan and Mrs Walker's partner informed the Tribunal members that they would not be attending the hearing. Hence, only Mr Lewington attended the hearing.

37. About 15 minutes before the hearing began, the Tribunal supplied Mr Lewington with a copy of the Supreme Court's decision in Daejan vs Benson (see below).

38. At the hearing, the Tribunal asked Mr Lewington to clarify certain matters:

(a) whether the Landlord was seeking dispensation from all or only some of the consultation requirements. We were told it was all of the requirements;

(b) the current position regarding the improvement notice (enforcement action was on hold: see above);

(c) why there had been an apparent delay in making the application, given that the Landlord had been aware by early December 2014, at the latest, that further works were required to deal with water ingress. Mr Lewington accepted that the application should have been made earlier than it was. He said the delay was explained by the difficulties he experienced in obtaining a cheque for the application fee from the Landlord, some difficulties in communicating with his clients who had only recently

become the Landlords by default, as a result of an intermediate landlord's liquidation, and his annual leave commitments during February 2015. The Tribunal did not consider these to be satisfactory reasons for the application not having been made sooner. A Landlord is expected to respond in a timely fashion to requests for instructions from its Managing Agent about possible tribunal proceedings and, if it seeks to make an application to the Tribunal, must ensure the person charged with making the application has the necessary funds. And, so far as Mr Lewington's leave was concerned, it was his employer's responsibility to ensure that someone within their not insubstantial operation deputised for him;

(d) whether any of the Tenants had queried the need for the further works. Mr Lewington said they had not, nor had any objected to the proposal to use the cheapest tenderer.

39. The Tribunal also drew Mr Lewington's attention to its powers to grant dispensation on terms (in accordance with the ruling in *Daejan vs Benson*). We asked him whether there would be an objection, in the event that dispensation was granted, to a term which sought to ensure liaison with Tenants during the course of the qualifying works. We considered there was potential merit in such a term in the light of the recent history of apparently unsuccessful works to deal with water ingress.

40. The Tribunal also asked whether the Landlord intended to recover the costs of these proceedings from the Tenants. Mr Lewington said they did not. The Tribunal then asked Mr Lewington if there would be any objection to a term prohibiting the costs of these proceedings from being recovered through the service charge. Mr Lewington told the Tribunal there was no objection.

The relevant law

Section 20ZA of the Landlord and Tenant Act 1985

41. This is an application under section 20ZA of the Landlord and Tenant Act 1985. Section 20ZA(1) gives the tribunal power, on application, to "make a determination to dispense with all or any of the consultation requirements in relation to any qualifying works". The tribunal has this power "if satisfied it is reasonable to dispense with the requirements". "Qualifying works" means "works on a building or any other premises" (section 20ZA(2)).

42. Section 20ZA is linked to section 20 of the Landlord and Tenant Act 1985. Section 20 limits the amount of the costs incurred on "qualifying works" that may be recovered through a service charge in circumstances where the consultation requirements have not been complied with. Unless consultation requirements are dispensed with under section 20ZA, section 20 will limit the amount that may be recovered from each Tenant to £250.

43. The leading case about section 20ZA is the decision of the Supreme Court in *Daejan Investments Ltd v Benson & Others* [2013] UKSC 14. It holds:

(a) section 20ZA is part of a legislative scheme whose purpose is to ensure that tenants "are not required (i) to pay for unnecessary services or services which are

provided to a defective standard, and (ii) to pay more than they should for services which are necessary and are provided to an acceptable standard" (para. 42 of the judgment);

(b) the focus of a Tribunal on an application under section 20ZA is the extent, if any, to which tenants are prejudiced by a failure to comply with consultation requirements (para. 44);

(c) the Tribunal "has power to grant a dispensation on such terms as it thinks fit – provided, of course, that any such terms are appropriate in their nature and their effect" (para. 55).

The statutory consultation requirements

44. The "consultation requirements" are contained in the Service Charges (Consultation Requirements) (Wales) Regulations 2004. There are different consultation requirements in different cases. Here the applicable requirements were those contained in Part II of Schedule 4 to the Regulations.

45. Since the proposed works on Hanbury Court will cost over £20,000, they are clearly "qualifying works". Regulation 6 states that "for the purposes of subsection (3) of section 20 the appropriate amount is an amount which results in the relevant contribution of any tenant being more than £250".

46. In this case the consultation requirements are those set out in Part II of Schedule 4 to the Regulations. In summary, they require:

(a) a notice of intention to carry out qualifying works being given to each tenant. The notice must meet various requirements including "the landlord's reasons for considering it necessary to carry out the proposed works" and an invitation to nominate a person from whom an estimate should be sought;

(b) tenants have 30 days in which to respond to this notice;

(c) the landlord is required to have regard to any observations made;

(d) the landlord is then under a duty to obtain estimates. There are also obligations to seek estimates from nominated persons. For example, if only one tenant makes a nomination, the landlord must try to obtain an estimate from that person;

(e) the landlord must supply the tenants with a statement setting out, for at least two of the estimates, their estimated costs, and a summary of observations made. An estimate from a nominated person must always be included;

(f) the landlord must make all the estimates available for inspection;

(g) the landlord must invite observations from the tenants on the estimates. Tenants have thirty days to make observations. The landlord must have regard to any observations duly made;

(h) following the entering into of a contract for the carrying out of the qualifying works, the landlord must within 21 days give written notice to each tenant setting out reasons for awarding the contact or specifying the place and hours at which a statement of the reasons may be inspected. However, this requirement does not apply where the contract is made with the person who submitted the lowest estimate.

Comparing the statutory consultation requirements with tenant involvement in this case

47. The steps taken by the landlord to involve the tenants fell short of the consultation requirements to the following extent:

(a) while the tenants were made aware that works were proposed, and why, they were not invited to propose a contractor. However, Mr Lewington told the Tribunal, which it accepted, that during the earlier consultation no contractors were proposed by tenants;

(b) tenders were invited in December 2013 without any prior consultation with tenants. In effect, there was nothing akin to the notice of intention stage;

(c) it was not until the day after the end of the tendering period that tenants were sent a tender report by email on 15th January 2015;

(d) the tenants were not given a deadline by which to comment on the tenders. However, there is no evidence that any tenants who wished to comment were unable to do so, as the emails from Mr Morgan and Mr Gale show. Tenants were not invited to inspect the tenders made. Overall, however, what happened complied to a reasonable degree with the 'comments on estimates' stage;

(e) the final stage has not yet been reached since no contract has been entered into. However, tenants have been made well aware of the landlord's intention to select the cheapest contractor and no specific objection has been made to that.

The parties' arguments

The Landlord

48. The Landlord's case is that it would be reasonable to dispense with the consultation requirements because the qualifying works are urgently required due to a combination of (a) the extent of the water ingress at Hanbury Court and the affect it has on the fitness of the flats and, accordingly, the quality of life of the residents, and (b) the period of time for which the problem has persisted.

The Tenants

49. The Tenants have expressed views, when invited to do so, about the proposed works. However, it is clear that their major grievance concerns the works completed in 2014 and which, it is accepted by the Landlord, did not solve the water ingress problem. So far as the Tenants are concerned, their real objection is to being asked to pay for these works at all, so soon after the 2014 works, rather than to their appropriateness or the Landlord's preferred contractor.

50. Mr Morgan and Mr Gale have both stated in emails to the Landlord that they do not agree with any further works being carried out. However, their reasons for this position have not been set out.

51. Mrs Ross was the only Tenant to respond to the Tribunal's directions. However, her response accepts that the works are required.

Tribunal's consideration of whether it is reasonable to dispense with all or some of the consultation requirements

52. To assess whether it is reasonable to dispense with all the consultation requirements, the Tribunal identifies the arguments for and against dispensation.

The arguments for dispensation

53. It is clear that there is a pressing need to solve the water ingress problem at Hanbury Court. The sooner that can be done, the better. Likewise, the sooner the local authority can be persuaded to rescind the improvement notice, the better.

54. While the Tribunal is not satisfied that the landlord acted without delay in making this application, we are where we are. Any further delay in commencing the works is to be avoided so far as possible. If the more time-consuming consultation requirements, at least, are not dispensed with, it is likely to be at least three months before works can commence.

55. The tenants are fully aware of what works are proposed and why. They have not been kept in the dark. No Tenants has provided a reasoned objection to the need for the works.

56. The tenants have been able to put their views across about the tenderers. There is no evidence to suggest that those views have been ignored.

57. None of the tenants have argued that they have been prejudiced or disadvantaged by the failure to carry out a consultation exercise in compliance with the regulations. For example, none of the tenants have put forward a cheaper tenderer than the landlord's preferred contractor.

58. The tenants have separate rights which they may exercise, if they wish, to pursue their major grievance, which is the adequacy of the 2014 works. The tenants can only be required to pay for the cost of works, through the service charge, to the extent that those costs are reasonably incurred and if the works are of a reasonable standard (section 19 of the Landlord and Tenant Act 1985). Disputes over that may be determined by an application to the Tribunal (section 27A of the Landlord and Tenant Act 1985). That is how the tenants' position is protected in relation to the 2014 works.

The arguments against dispensation

59. The Tribunal is not satisfied that the landlord made this application as soon as possible. Indeed, it should have been made in December 2014 because, at that point, the landlord must have envisaged the need to dispense with the consultation requirements proceeding, as it did, to contract for the works according to a procedure that was not compliant with the regulations. The landlord must have known what the consultation requirements were because it says it carried a compliant consultation exercise in 2014.

60. However, the Tribunal does not think the delay was designed to exclude the tenants from the tendering process. It was due to a combination of communication

difficulties between the Managing Agents and the landlord, greater priority being given to dealing with the damp problem (in the light of the local authority's increasing concerns) than compliance with the consultation requirements and, it has to be said, some degree of inefficiency.

Why the Tribunal decides it is reasonable to dispense with all the consultation requirements

61. The arguments in favour of dispensation outweigh those against and so the Tribunal decides it is reasonable to dispense with the consultation requirements. In fact, to refuse the landlord's application would itself be likely to prejudice the tenants given (a) the pressing need to deal with the damp and (b) none of the Tenants have put forward a reasoned argument that the preferred tenderer should not be used or that the works themselves are unnecessary.

62. In current circumstances, where a preferred tenderer has been identified and not been the subject of any reasoned objection, there is no point in maintaining any of the pre-contract consultation requirements. That is why the Tribunal grants dispensation from all of those requirements. There remain the statutory post-contract requirements but those would not in fact be applicable in this case because the preferred contractor put in the cheapest tender. And so the Tribunal grants the landlord dispensation from all of the consultation requirements.

63. The Tribunal grants dispensation on the terms set out at the beginning of this document. Two of those were agreed by Mr Lewington at the hearing (concerning non-recovery of the costs of these proceedings through the service charge and measures to involve Tenants during the course of the works). The others are a natural consequence of dispensation being sought before qualifying works are carried out and link dispensation to the proposed qualifying works and to their being carried out in accordance with the cheapest tender.

8th day of May 2015

CHAIRMAN