

Residential Property Tribunal for Wales

Y Tribiwnlys Eiddo Preswyl

Leasehold Valuation Tribunal

Reference LVT/0059/03/26

In the matter of Deganwy Quay Deganwy Conwy LL31 9DQ

And in the matter of an application under s20ZA of the Landlord and Tenant Act 1985

Applicant: Deganwy Quay Management Company Limited

Respondent: The leaseholders at Deganwy Quay Conwy

Tribunal panel: Gwyn Eirug Davies -Tribunal Judge
Tom Daulby MRICS – Surveyor member
Hywel Jones JP – Lay member

This matter was decided by the tribunal panel on the basis of the papers and without a hearing.

The tribunal panel did not consider it necessary to conduct an inspection.

Decision

The tribunal grants unconditional dispensation from the consultation requirements imposed by section 20 of the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (Wales) Regulations 2004 in relation to repairs to the external retaining and revetment/coastal defence structures at Deganwy Quay.

1. The Applicant is Deganwy Quay Management Company Limited. The Applicant is the management company for the development known as Deganwy Quay Deganwy. This waterfront development comprises 77 apartments, penthouses and townhouses.
2. The Respondents are the leaseholders of Deganwy Quay. The Respondents have not acknowledged the application, have not sought party status and no submissions have been made by or on behalf of any leaseholder.

3. The application was submitted in prescribed form LVT5 on behalf of the Applicant on the 26th March 2026 by James Wild of Premier Estates Ltd, the managing agents. The application is to dispense with the consultation requirements in section 20 of the Landlord and Tenant Act 1985 (the Act) in respect of works to the external retaining and revetment/coastal defence structures at Deganwy Quay. The application contends that the works are required to address deterioration caused by long term exposure to the marine environment including loss of mortar, water ingress, vegetation growth and the development of voids behind the retaining structure. The works are necessary to maintain the structural integrity and safety of the coastal defences. It is proposed that the works be carried out in two phases during 2026 and 2027.
4. We have been presented with the following evidence:
 - i) The Application
 - ii) A draft report entitled Deganwy Quay Coastal Structures Repeat Inspection September 2020
 - iii) An undated and unsigned draft Lease
 - iv) Two undated and unsigned statements on Premier Estates Ltd headed paper.
 - v) Estimate of cost provided by Colin Jones (Rock Engineering) Ltd
5. A directions order issued on the 26th March 2026 included a direction for the Applicant to file a statement of evidence verified by a Statement of Truth. The Applicant has not complied with this direction. Information has been filed providing some information about the issues listed in clause 1 of the directions order but his information is not provided in the form of a statement as directed.
6. In addition, the Applicant has filed an expert report prepared in October 2020 which is marked as a draft version. The final version of the report should have been filed. It is however surprising that there is no more current report given the recommendation for regular inspection reports!
7. Similarly, the sample Lease included is in draft form. A copy of a completed lease duly executed and dated should have been provided.
8. Notwithstanding the quality of the evidence and the lack of compliance with the directions, we will on this occasion adopt a pragmatic approach. The only issue for the tribunal panel to consider is whether or not it is reasonable to dispense with the consultation requirements in respect of the proposed works. We are not required to consider the issue of whether any service charge costs resulting from any such works are reasonable or indeed payable. It will remain open to the leaseholders to challenge such costs should they wish to do so in due course under s27A of the Act. We are satisfied in the circumstances that we have sufficient information to make an informed decision on the application.

9. The relevant law is set out in the sections of the Act shown below:

Section 20

Limitation of service charges: consultation requirements

(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) except in the case of works to which section 20D applies,] dispensed with in relation to the works or agreement by (or on appeal from) [the appropriate 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.

Section 20ZA

Consultation requirements: supplementary

(1) 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 or qualifying long-term agreement, the tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.

(2) In section 20 and this section—

- “qualifying works” means works on a building or any other premises, and**
- “qualifying long-term agreement” means (subject to subsection (3)) an agreement entered into, by or on behalf of the landlord or a superior landlord, for a term of more than twelve months.**

(3) The Secretary of State may by regulations provide that an agreement is not a qualifying long-term agreement—

- (a) if it is an agreement of a description prescribed by the regulations, or**
- (b) in any circumstances so prescribed.**

(4) In section 20 and this section “the consultation requirements” means requirements prescribed by regulations made by the Secretary of State.

(5) Regulations under subsection (4) may in particular include provision requiring the landlord—

- (a) to provide details of proposed works or agreements to tenants or the recognised tenants’ association representing them,**
- (b) to obtain estimates for proposed works or agreements,**
- (c) to invite tenants or the recognised tenants’ association to propose the names of persons from whom the landlord should try to obtain other estimates,**
- (d) to have regard to observations made by tenants or the recognised tenants’ association in relation to proposed works or agreements and estimates, and**
- (e) to give reasons in prescribed circumstances for carrying out works or entering into agreements.**

(5A) And in the case of works to which section 20D applies, regulations under subsection (4) may also include provision requiring the landlord—

- (a) to give details of the steps taken or to be taken under section 20D(2),**
- (b) to give reasons about prescribed matters, and any other prescribed information, relating to the taking of such steps, and**
- (c) to have regard to observations made by tenants or the recognised tenants’ association in relation to the taking of such steps.**

(6) Regulations under section 20 or this section—

- (a) may make provision generally or only in relation to specific cases, and**
- (b) may make different provision for different purposes.**

(7) Regulations under section 20 or this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

10. Failure to observe the consultation requirements will limit each leaseholder's liability to contribute to the cost of the qualifying works to the sum of £250.00. Under section 20ZA of the Act the tribunal is empowered to dispense with all or any of the consultation requirements.
11. The leading authority is the case of **Daejan Investments v Benson [2013] UKSC 14** which sets out the proper approach to be adopted by a tribunal. In the first instance the onus is on the leaseholders to show a credible case that they will be prejudiced by a failure to follow the consultation requirements. It is then a matter for the Landlord to rebut those concerns and to establish that it is reasonable to grant dispensation.
12. Urgency is not a necessary requirement for the grant of dispensation, and neither is it of itself a factor to secure dispensation. The central consideration is whether leaseholders will suffer prejudice from non-compliance with the consultation requirements.
13. Deganwy Quay is a marina development on the banks of the Conwy Estuary. The revetment wall and coastal defences were originally constructed 140 ago by the London and North Western Railway Company to protect the railway carrying slate from Blaenau Ffestiniog for exporting from Conwy. The revetment wall is 250m meters long of quarried stone construction.
14. The application sets out the nature of the work in the following terms,

“the works comprise specialist rock face and slope stabilisation, including deep penetration pressure pointing and pressure grouting to the masonry revetment and retaining structures.

The works are required to address deterioration caused by long term exposure to the marine environment including loss of mortar, water ingress, vegetation growth and the development of voids behind retaining structures.

The scope of the works includes removal of vegetation, preparation and cleaning of masonry, hacking out defective pointing, pressure pointing to the revetment, relaying displaced stones where possible, pressure grouting to fill voids and associated disposal and environmental protection measures.”
15. A further summary of the proposed works is included in the work schedule contained in the tender submitted by Colin Jones (Rock Engineering) Ltd dated 2nd February 2026. The estimated total cost being £35,763.58 (excl vat).
16. It is proposed that the repair works are to be undertaken in stages over a three-to-four-year period. During 2024 the northernmost end was repaired with the middle section being repaired in 2025.

17. The Applicant seeks dispensation from the consultation requirements on the basis that only one company has responded to the request for tenders. This work requires a high degree of specialism and the pool of potential candidates capable of completing the work is small. Only one company has provided an estimate. That company is Colin Jones (Rock Engineering) Ltd which is a comparatively local firm based in Porthmadog and which seems to possess the necessary degree of specialism to undertake the work. This is evidenced by the fact that this company undertook work on the coastal defences in 2024 and 2025. We are satisfied therefore that the obtaining more than one estimate was not practicable in the circumstances.
18. The directions order issued on the 26th March 2026 records that none of the leaseholders had applied to be joined as respondents to the application nor had any of them responded to the Tribunal's communication. There has been no subsequent communication from any of the respondents either. We conclude therefore that there is no evidence of any opposition to dispensation and that the initial burden of establishing prejudice has not been met.
19. Although silence is not necessarily an indication of the leaseholders consent to the application, the fact that it is not opposed is a relevant factor for us to take into account.
20. It is clearly essential that the revetment wall and coastal defences are well maintained in order to maintain the integrity of the development. Maintaining the revetment wall and the coastal defences requires continuous investigation and inspection. The inspection report undertaken in 2020 highlights an increase in the risks to the structure. We are satisfied that there is no prejudice to the leaseholders in granting this application.
21. In the circumstances we are satisfied that it is reasonable to grant unconditional dispensation from the consultation requirements in respect of the repairs to the revetment wall and coastal defences. This does however not prevent the leaseholders from challenging the reasonableness of the service charges that will arise from completing the works in due course under section 27A of the Act.

Dated this 29th day of June 2026

G E Davies

Tribunal Judge