



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

Case Reference : **HAV/00HG/LDC/2025/0673**

Property : **Various Properties (see schedule)**

**Applicant
Homes Ltd** : **Plymouth Community**

Respondents : **Various Properties (see schedule)**

Type of Application : **s.20ZA**

Tribunal Members : **Judge Dovar**

Date of Decision : **11th August 2025**

DECISION

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1. This an application for dispensation under s.20ZA of the Landlord and Tenant Act 1985 from the consultation requirements in respect of the Applicant's intention to enter into a qualifying long term agreement for the provision of electricity and heating to a large number of residential blocks owned and managed by them.
2. The need for this application arises because the Applicant intends to enter into an agreement with an energy supplier which will be an agreement for the supply of electricity which will last longer than one year. Therefore the agreement is one which is governed by s.20 of the 1985 Act and requires either the statutory consultation process to be followed or dispensation obtained in default. If it does not do so then it will be restricted to recovering £100 per leaseholder per year for any costs incurred under the agreement.
3. The difficulty the Applicant faces is that in order to procure the most competitive price for electricity, it needs to engage with suppliers who only keep their offers open for a short period of time – much less than that required by the statutory consultation procedure.
4. Apart from this application no consultation in any form has taken place with the Respondents. None of the Respondents have objected to the application.
5. The specific consultation requirements for works within s.20 are set out in the Service Charges (Consultation etc.) (England) Regulations 2003/1987. Schedule 1 sets out the requirements for qualifying long term agreements other than those for which public notice is required.

6. Firstly, notice must be given of an intention to enter into an agreement. That should describe in general terms the agreement and reason for entering into it. It should also invite observations and nominations. The reason for seeking dispensation in the first place is because the process seems to limit those from whom quotes would be obtained.
7. A further necessary omission is the requirement to seek estimates from various parties. Again the process envisaged in this case, explains why it was not possible to do that. The next omission is the requirement to prepare and distribute proposals containing details of the costs under the agreement and to have regard to observations made. Again the process envisaged in this case, makes that impossible as the cost will not be known until shortly before acceptance is required.
8. Whilst there are obvious elements of the process that have been omitted, the Tribunal is satisfied that the nature of the exercise means that not only will the Respondents not be prejudiced, but they are likely to receive a significant benefit from the Applicant accessing energy markets which would not be available to those with lesser property interests. Further that this process would obtain the best price obtainable. Therefore I do not consider there is any prejudice in giving dispensation.
9. Accordingly, I will grant dispensation from the consultation requirements in respect of an agreement entered into with a supplier identified in the next round of bids, but on the following conditions:
 - a. The Applicant accepts the lowest price; and

b. The Applicant sends to the Respondents (or posts on an advertised website):

- i. This decision; and
- ii. the material terms of the contract, including the price obtained, as well as the prices offered by the other tenders.

Appeals

A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk .

The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.

If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.

The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.