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LONDON RENT ASSESSMENT PANEL

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN
APPLICATION UNDER SECTION 20ZA OF LANDLORD AND TENANT ACT
1985**

Case Reference: LON 00BE/LDC/2012/0095

Premises: Webber Street and Southwark Bridge Road London
SE1 0JN

Applicant: Represented by	Mybase 1 RTM Company Limited Chainbow Limited	
Respondents: Represented by	Leaseholders of Flats1-102 130 Webber Street and Flat 115, 118 Southwark Bridge Road London SE1 0JN see attached list	
	Not appearing	
Date of receipt of Application:	21 st August 2012	
Tribunal	P L Leighton LLB	
Date of Directions:	28 th August 2012	
Date of Decision	8 th October 2012	

DECISION

- 1 The Applicant seeks dispensation from the Tribunal under section 20ZA of the Landlord and Tenant Act 1985 in respect of a qualifying long term agreement for the provision of entryphone and CCTV equipment at 130 Webber Street and 118 Southwark bridge Road London SE1 3LL
- 2 Directions were given on 28th August 2012 as a result of which no objection was received from any leaseholder, The application itself

suggested that all leaseholders had been consulted and agreed with the application. The Tribunal directed that the application be assigned to the paper track and it is desirable that the matter be dealt with as a matter of urgency.

- 3 There is a significant background to this application in that it relates to entryphone equipment which was installed in the block by the original developer and the freeholder entered into an agreement for 14 years of which there is now 5 years to run under the terms of that agreement.
- 4 The leaseholders brought an application against the freeholder under section 27A of the Landlord and Tenant Act 1985 against the recoverability of the service charges relating to the original agreement with Interphone Limited in respect of the payments due under the terms of that agreement which exceeded £10,200 per annum or £100 per lessee. .
- 5 The Tribunal held on 18 October 2011 that only £10,200 of the Interphone contract price was recoverable via the service charge account in the absence of dispensation from the consultation requirements under the Service Charges (Consultation Requirements) (England) regulations 2011 Schedule 1.
- 6 On 19 March 2012 the freeholder obtained dispensation from the Tribunal under section 20ZA of the Act in respect of the excess amount over £10,200 under the previous agreement.
- 7 The freeholder's right to manage, however, has now been replaced by the present Applicant the RTM company and on 19th April 2012 the present Applicant commenced an application under Section 27A of the Act against the freeholder in respect of the payments due under the Interphone Agreement. A preliminary hearing is due to be heard on 10th October in respect of that application which the freeholder maintains is frivolous vexatious and an abuse of the process.
- 8 The takeover by the RTM company had the effect of terminating the original agreement. The freeholder did not pay the sum due by way of

penalty under the original agreement and the supplier threatened to withdraw the equipment unless other arrangements were made.

9 The RTM company met with the leaseholders having written to them and advised them of the position regarding the equipment and the attempts to resolve the difficulty. Arrangements were agreed with the supplier that in the event of the 5 years payments being made by annual instalments payable quarterly the equipment would then be transferred to the RTM company at the end of the 5 year period . A copy of the proposed agreement and the present application has been sent to all the leaseholders and no objection has been made to the application. The amount payable under the proposed agreement, however, exceeds the sum of £10,200 per annum. As the agreement has five years to run it is a qualifying long term agreement for the purposes of the 2003 regulations. so that the regulations must either be complied with or dispensation is necessary

10 It is clear to the Tribunal that there would be no benefit to the leaseholders in seeking alternative tenders as the cost of the removal of the present equipment and installation of new equipment would be prohibitive . It would therefore be impossible for the Applicant to comply with the consultation regulations.

11 Accordingly it is in the interests of all parties that dispensation should be granted without prejudice to any application which may be made by the leaseholders against the freeholder Ramvel Limited in respect of previous service charges. Therefore the application to dispense is granted.

Chairman Peter Leighton

Date 8 October 2012

