IN THE FIRST-TIER TRIBUNAL (PROPERTY CHAMBER)
APPLICATION UNDER SECTION 20ZA OF THE LANDLORD AND TENANT ACT 1985
FOR DISPENSATION FROM THE CONSULTATION REQUIREMENTS

BETWEEN:

HOUSING 21 (the "Applicant")

– and –

THE LEASEHOLDERS AND TENANTS LIABLE TO CONTRIBUTE THROUGH SERVICE CHARGES AND/OR UTILITY CHARGES TO THE COST OF THE ENERGY SUPPLY ARRANGEMENTS DESCRIBED IN THIS APPLICATION (the "Respondents")

GROUNDS FOR SEEKING DISPENSATION

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1. This application is made by Housing 21 under section 20ZA of the Landlord and Tenant Act 1985 for dispensation from all of the consultation requirements imposed by section 20 of that Act and the Service Charges (Consultation Requirements) (England) Regulations 2003 in relation to a proposed qualifying long-term agreement for the supply of gas and electricity.
2. The proposed agreement is for a term of approximately three years. It will cover communal gas and electricity supplies across Housing 21's housing stock and, in some cases, domestic gas and electricity supplies where residents cannot contract directly because of the nature of the relevant building, heating or supply arrangements.
3. The Applicant is a large registered provider of social housing operating across England. The proposed arrangement will affect leaseholders and tenants whose service charges and/or utility charges include a contribution towards the cost of those supplies.
4. The Applicant relies in particular upon the witness statement of Amarjit Chand, Director of Finance, in relation to the proposed procurement strategy, the advice received from NUS Consulting Group, the nature of the relevant energy market, the reasons why a longer-term flexible supply arrangement is proposed, and the resident engagement exercise undertaken before this application was issued.
5. The Applicant also relies upon the witness statement of Richard Lawton, Head of Resident Charges, in relation to the service charge and utility charge context, the importance of lawful recoverability, and the way in which the relevant costs are

passed through and apportioned in accordance with the applicable tenancy and lease documentation.

6. Copies of a standard form Extra Care starter tenancy agreement and a standard form shared ownership lease are exhibited to these Grounds. They are provided as representative examples of the tenancy and lease machinery under which Housing 21 recovers communal energy costs and, where applicable, utility costs. The Applicant does not suggest that every tenancy or lease in the portfolio is in identical form, but says that these are representative examples of the relevant charging provisions.

7. The standard form tenancy agreement provides for the weekly charge to include, amongst other things, a service charge and utility charge. It further provides that the service charge is variable and represents the resident's contribution towards the costs Housing 21 incurs, or expects to incur, in providing services, and that utility charges are the resident's contribution towards the fuel and water costs Housing 21 incurs, or expects to incur, in providing fuel and water for the home. The tenancy also provides for annual review and written notification of increases or decreases, and expressly records that the First-tier Tribunal has authority to resolve disputes between landlord and tenant as to those charges.

8. The standard form shared ownership lease defines "Service Charge" as the Specified Proportion of the Service Provision and defines "Specified Proportion" as a fair and proper proportion attributable to the premises, such proportion to be conclusively determined by the Landlord acting reasonably. The lease further contains detailed service charge provisions and landlord covenants relating to repair, maintenance, insurance, common parts and services for the building and estate. Those provisions provide the contractual framework within which relevant communal energy costs are apportioned and recovered.

9. The Applicant does not seek to make any profit from the purchase of gas and electricity under the proposed arrangements. Rather, the cost billed to Housing 21 by the relevant supplier is passed through and apportioned to residents in accordance with the terms of the relevant leases and tenancy agreements. The purpose of the proposed procurement model is therefore to secure the most advantageous and stable purchasing outcome reasonably available for residents, not to create margin for Housing 21.

10. Historically, Housing 21 has procured energy by means of one-year fixed arrangements or variable rates. The Applicant has considered whether it should simply continue with repeated one-year contracts in order to avoid the need for dispensation. That was recognised as a lawful option. However, for the reasons set out in the witness statement of Amarjit Chand and the NUS report exhibited to that statement, the Applicant concluded that repeated one-year renewals would continue to expose residents to the risks associated with a single renewal decision

at a particular point in the market and would be less likely to provide best long-term value or stability for residents than a longer-term flexible arrangement.

11. The evidence of Amarjit Chand and the NUS report explains that the proposed procurement model is a longer-term flexible supply arrangement under which final pricing is not fixed in full at the point of contract award. Instead, pricing decisions are made in stages during the contract term in response to market conditions. The Applicant says that this model is materially different from a conventional fixed-price contract and better suited to managing timing risk, market volatility and overall cost.

12. The Applicant does not contend that section 20 consultation is legally impossible in the context of an energy contract. In principle, it would be possible to consult residents on the proposal to enter into a long-term arrangement, the general procurement approach, and the fact that prices may be fixed later during the contract term. However, the Applicant says that the statutory timetable and structure are poorly suited to this market and this procurement model.

13. In particular, the Applicant says it is not reasonably practicable to comply with the notice of proposal stage in any meaningful way because final prices are not known at that stage, fixed-price opportunities are available only for short periods, and any figures given in advance would necessarily be indicative only and may later prove inaccurate or misleading. The Applicant therefore says that it cannot sensibly provide residents with meaningful information about a known final price at the stage contemplated by the Regulations.

14. Further, the Applicant says that compliance with the statutory timetable would risk prejudicing value for money for residents because pricing opportunities in the relevant market arise and pass quickly. The Applicant relies upon the evidence of Amarjit Chand and the NUS report for the proposition that prices cannot realistically be held open for the duration of a statutory consultation period and that delaying purchasing decisions in order to follow the formal timetable would risk a materially worse outcome for residents.

15. The Applicant nevertheless recognises the importance of resident voice and has undertaken substantial resident engagement before issuing this application. As set out in Amarjit Chand's statement and exhibits, that engagement has included resident letters, a question-and-answer sheet, local coffee mornings and scheme-level discussions, manager briefing materials, a resident-facing video, discussion through service charge and resident forums, and multiple routes for written and verbal feedback. A summary of resident feedback, including detailed scrutiny from residents such as Mr M, is exhibited to Amarjit Chand's statement.

16. The Applicant says that, viewed fairly, residents have not been deprived of any genuinely workable opportunity to comment on the proposal. What they have not

been given is a final price figure at the point of engagement. However, the Applicant says that no such final figure exists at that stage under the proposed procurement model and that formal consultation would therefore risk becoming an exercise in form rather than meaningful engagement on known costs.

17. The Applicant further says that the grant of dispensation would not remove residents' underlying rights in relation to service charges, utility charges, lease or tenancy interpretation, or the reasonableness of future charges. The Tribunal is not being asked on this application to determine those matters. The Applicant's case is confined to the issue of whether dispensation from the consultation requirements should be granted in the circumstances described in the witness statements.

18. In all the circumstances, and for the reasons set out in the witness statements of Amarjit Chand and Richard Lawton, the Applicant respectfully requests that the Tribunal grant dispensation from the consultation requirements in relation to the proposed long-term agreement for the supply of gas and electricity.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Signed: ______________________

Name: Paul Hutton

Dated: 20.4.2026.