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")

WITNESS STATEMENT OF AMARJIT CHAND

I, Amarjit Chand, will say and state as follows

Introduction

1. I make this witness statement in support of Housing 21's application under section 20ZA of the Landlord and Tenant Act 1985 for dispensation from the consultation requirements which would otherwise apply to a qualifying long-term agreement for the supply of gas and electricity.

2. I am employed by Housing 21 as Director of Finance. I have oversight of the finance function and responsibility for the procurement team, whose Head reports to me. In that role I am familiar with the proposed long-term energy contract, the advice received from NUS Consulting Group, the reasons Housing 21 seeks dispensation, and the steps taken to inform and engage residents in relation to the proposal.

3. The facts and matters set out in this statement are within my own knowledge unless otherwise stated. Where I refer to information supplied by others, I identify the source and believe it to be true.

Housing 21 and the proposed agreement

4. Housing 21 is a large, registered provider of social housing operating across England.

5. Housing 21 procures gas and electricity for communal areas at its schemes and, in some cases, for domestic supplies where residents cannot contract directly because of the way in which the relevant buildings or heating systems are configured.

6. Housing 21 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.

7. Housing 21 proposes to enter into a long-term energy supply arrangement of approximately three years. Because that arrangement will endure for more than twelve months, it constitutes a qualifying long-term agreement for the purposes of section 20 of the 1985 Act.

8. The service charge and utility charge implications of the proposal are addressed further in the witness statement of Richard Lawton.

Why a longer-term arrangement is proposed

9. Historically, Housing 21 has procured energy by means of one-year fixed arrangements or variable rates. That has been explained to residents in the course of the recent engagement exercise.

10. Housing 21 now considers that a longer-term arrangement is likely to offer better value for money for residents, reduce exposure to short-term market volatility, and support greater stability in charges over time. That rationale has also been explained to residents in plain English.

11. The decision to explore a longer-term arrangement was not taken in order to bypass residents or avoid scrutiny. It was taken because Housing 21 considers that it may secure a better outcome for residents than repeated short-term contracting.

The nature of the energy market and procurement model

12. Housing 21 has obtained advice from NUS Consulting Group, a specialist independent energy and sustainability consultancy, and I rely upon the NUS report exhibited to this statement (Exhibit AC4). That report explains the characteristics of the wholesale energy market and the procurement methodologies available to an organisation of Housing 21's scale.

13. The NUS report explains that, in a deregulated energy market, customers can contract with their chosen supplier but the method by which they buy the energy itself has significant consequences for price and risk. The report contrasts a traditional fixed-price contract with a longer-term flexible supply arrangement.

14. Under a traditional fixed-price contract, the customer makes a single purchasing decision to secure 100% of the electricity or gas required for the relevant term on one particular day. The report explains that this gives budget certainty at the point the contract is agreed, but it also exposes the customer to what NUS describes as timing risk, market price risk and volume risk.

15. As to timing risk, the report explains that the customer is effectively "hoping" that it chooses a favourable moment in the market when it locks in energy for the next 12, 24 or 36 months. NUS notes that, with approximately 260 working days in a year, the customer has only one opportunity to make that decision and a very limited prospect of striking the market at its low point.

16. As to market price risk, the report explains that wholesale energy prices are heavily influenced by economic and geopolitical events and can move very quickly. NUS refers to recent examples including the Ukraine war and current Middle East tensions, and notes that market movements can be extreme. The report states that fixed-price offers are generally available only for short periods, often within a day.

17. As to volume risk, the report explains that a customer entering into a fixed-price contract must secure its entire expected volume requirement on a single day, with no opportunity thereafter to take advantage of a more favourable market movement in relation to any remaining quantity.

18. The report also explains that, within a fixed-price structure, a significant proportion of the price is made up of non-commodity elements such as transmission, distribution, taxes and levies. Many of those elements are uncertain at the outset, so a supplier pricing a longer fixed deal will commonly build in additional risk premia or margin to protect itself. NUS's analysis is that this can mean the customer pays more for the certainty of a fixed offer than it would under a more flexible structure.

19. By contrast, the NUS report describes a flexible supply contract as a framework arrangement under which the supplier commits to provide energy over the relevant supply period, but the price is not fixed in full at the outset. Instead, the customer can buy energy in blocks or tranches at different times during the life of the arrangement, by reference to prevailing wholesale market prices.

20. The report explains that this allows the client to decide when, how much and for how long to lock in forward energy requirements, thereby giving the client the opportunity to react to dips in the market and to manage the one area it can materially influence, namely the wholesale commodity price. The report describes that approach as the contract type of choice for many major corporates and says it is the approach NUS would recommend to a client such as Housing 21.

21. For the avoidance of doubt, Housing 21 is not proposing to place a single one-off bet on the market for the whole duration of the proposed agreement. The recommended model is a longer-term supply arrangement within which pricing decisions are made in stages over time. In practical terms, that means the supply framework lasts for a longer period, but Housing 21 is not committed to fixing the whole of its anticipated volume on one day. Housing 21 considers that this staged approach is materially different from a conventional fixed-price contract and reduces the risk inherent in having to make a single renewal decision at one point in the market.

22. The report includes a worked performance example based on Housing 21-style annual consumption and compares a flex strategy with fixed-price market averages across several contract periods. On the figures set out by NUS, the flex strategy materially outperformed the fixed-price average in each illustrated period, producing a cumulative benefit said to be in excess of £2.5 million across those examples.

23. The report also states that, under a short-term fixed contract, any offer that remained open for a longer period would typically include a substantial risk premium because the market itself moves daily and, in periods of geopolitical tension, may swing sharply over a short time. NUS states that wholesale markets can move by an average of over 50% in a year from low to high prior to a fixed-price renewal and that, as a result, it is less risky to manage purchasing through an effective risk-managed strategy operating over a longer period under set parameters.

24. In light of that advice, Housing 21 considers that a longer-term flexible arrangement is the most appropriate and prudent procurement model for this portfolio.

25. Housing 21 also considered whether it should simply remain with repeated one-year contracts in order to avoid the need for dispensation. That was recognised as a lawful option. However, Housing 21 concluded, having regard in particular to the adviser evidence on market volatility and procurement risk, that a repeated one-year renewal model would continue to expose residents to the risks associated with a single renewal decision at a particular point in the market and was less likely to produce the best long-term value or stability for residents than a longer-term flexible arrangement.

Consideration of section 20 consultation

26. Housing 21 has considered carefully whether the statutory consultation requirements should be followed in full before entering into the proposed agreement.

27. Housing 21 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.

28. However, Housing 21 concluded that there is a significant practical difficulty in using the statutory consultation process in this context.

29. The issue of central concern to most residents is the cost ultimately falling to be recovered through the service charge or utility charge. The resident-facing materials candidly state that Housing 21 cannot say at this stage whether service charges will

go up, because energy prices are changing significantly and the final price cannot be known in advance.

30. The NUS report explains why that is so. Under the recommended procurement model, final pricing is not fixed at contract award. Opportunities to secure prices arise and pass quickly in a volatile market, and fixed-price offers are generally only available for short periods. That means prices cannot realistically be held open for the duration of a statutory consultation period.

31. In those circumstances, Housing 21 was concerned that a formal consultation would either:

    a. delay decision-making in a way that could materially prejudice value for money for residents; or

    b. proceed on the basis of indicative figures only, which would not provide residents with reliable information on the issue most likely to matter to them, namely price.

32. Housing 21 therefore took the view that, although consultation was legally possible in form, the statutory timetable and structure were poorly suited to the realities of this market and did not offer a satisfactory route to meaningful engagement on cost.

Resident engagement and steps taken to minimise prejudice

33. Housing 21 nonetheless recognised the importance of resident voice and took deliberate steps to inform and engage residents before making this application. Housing 21 further recognises that a dispensation application can give rise to concern if residents feel that a decision has effectively already been made. For that reason, Housing 21 has tried to be transparent not only about the proposal itself, but also about the reasons why it considers dispensation necessary, the limitations of the standard consultation model in this market, and the fact that residents remain entitled to question, challenge and comment upon the proposal and its consequences.

34. A standard resident letter (Exhibit AC1) and question-and-answer sheet (Exhibit AC2) were produced and distributed across schemes. Those materials explained what section 20 is, why dispensation is being sought, how longer-term contracts are said to support price stability, and the routes by which residents could provide feedback.

35. The resident letter explained that Housing 21 wanted to achieve better value for money for residents when buying energy, that energy prices change very quickly, that the usual section 20 process is too slow for a fast-moving market of this kind, and that Housing 21 would therefore ask the Tribunal for permission to follow an alternative route. Residents were expressly invited to comment by speaking to their local manager, by email, or by post.

36. The question-and-answer sheet gave further explanation in plain English, including that:

    a. long-term energy contracts fall within section 20;
    b. the Tribunal will decide only whether dispensation should be granted, not whether service charges are reasonable;
    c. residents will continue to be engaged regarding the outcome; and
    d. there would be no interruption to supply.

37. Housing 21 also produced a resident-facing video featuring Housing 21 and residents from the Service Charge Group, explaining the dispensation process in plain English (Exhibit AC7). That video was shared with residents through letters and email communications.

38. Local managers were asked to host coffee mornings or similar scheme-level discussions using the resident letter, the question-and-answer sheet and the resident video as aids to discussion. Housing 21 also planned wider online or multi-scheme engagement sessions later in the process. The engagement slides prepared for managers (Exhibit AC3) recorded that approach and asked managers to help deliver a positive but accurate message, hold coffee mornings, play or signpost the resident video, and support resident queries using the published Q&A.

39. The utilities dispensation proposal was discussed with the Service Charge Network, including explanation of how personal utilities flow through service charges, the difference between communal supplies and individual metering, and manager responsibilities.

40. More than 130 managers attended a live briefing session so that they could answer resident questions confidently. Supporting slide decks, recordings and guidance were made available internally for consistency of messaging.

41. Residents were therefore given multiple routes to provide feedback, including:

    a. direct feedback via local managers;
    b. a dedicated email address;
    c. post;
    d. participation in online or multi-scheme sessions; and
    e. Service Charge Network or resident forum routes.

42. Housing 21 has prepared a summary of resident feedback received during this engagement exercise (Exhibit AC5) and places that summary before the Tribunal as part of this application.

43. The feedback received shows that residents were not being presented with a closed decision or superficial exercise. On the contrary, residents raised detailed

questions about transparency, process, recoverability, timescales and fairness. The correspondence from Mr Maughan, which is reflected in the feedback summary and exhibited separately (Exhibit AC6), is a good example of the level of scrutiny brought to bear. Housing 21 responded to that scrutiny and treated it as part of the application process rather than as an inconvenience to be managed away.

44. In my view, Housing 21 has sought to replicate, and in some respects exceed, the practical aims of consultation by using clear written materials, local conversations, resident-facing media and multiple channels for feedback, while acknowledging that the statutory process itself is not well suited to the way energy pricing decisions are made in this market.

Why dispensation is sought

45. Housing 21 seeks dispensation because it considers this to be the fairest and most practical route in the circumstances, not because it wishes to avoid resident engagement.

46. The purpose of the application is:

    a. to allow Housing 21 to pursue a procurement model which it reasonably believes is more likely to secure value for money and greater price stability for residents;

    b. to avoid the false appearance of meaningful consultation where final pricing information cannot be known at the relevant time;

    c. to ensure that the cost recovery position is regularised through the Tribunal rather than left exposed to uncertainty; and

    d. to do so on the basis that the legal and Tribunal costs of this application are not proposed to be recharged through any scheme service charge or utility charge under the proposed agreement, but will instead be borne at corporate level as part of Housing 21's wider overheads.

47. Housing 21 has made clear to residents that many social landlords use dispensation in this context because energy prices change quickly and long-term arrangements may offer better stability and value.

Prejudice and fairness

48. In considering prejudice, Housing 21 has focused on the practical question - what meaningful opportunity would residents lose if dispensation were granted?

49. In Housing 21's view, residents have not been deprived of a meaningful opportunity to comment on the proposal itself. Through the engagement exercise described above, they have been informed of the proposed approach, the reasons for it, the potential implications for price stability and service charges, and the routes for making representations.

50. The resident responses demonstrate that residents were able to ask detailed questions about alternatives, costs, process, transparency and fairness, and that Housing 21 answered those questions before issuing this application. Housing 21 therefore says that residents were able to scrutinise the proposal in a real and practical way, even though the formal statutory consultation procedure was not followed.

51. What residents have not been given is a final price figure at the point of engagement. However, that is because such a figure does not exist at that stage under the recommended procurement model. Housing 21 could only have provided indicative figures, with the attendant risk that they might later prove inaccurate or misleading.

52. Housing 21 considers that it would be artificial, and potentially unfair, to present a formal consultation as meaningful on price when the very feature of the proposed procurement model is that final pricing decisions are made later, in response to market movements. In those circumstances, Housing 21 says that the absence of a formal statutory notice has not deprived residents of any genuinely workable opportunity to influence a known final price, because no such final price exists at the relevant stage.

53. The grant of dispensation would not remove residents' other rights in relation to service charges, lease interpretation, or the reasonableness of any future charges. The Tribunal is not being asked to determine those matters on this application.

54. Housing 21 respectfully says that, viewed fairly, dispensation would not cause relevant prejudice to residents and is instead sought in an effort to protect them from the consequences of a procurement model that is less suited to this market.

Conclusion

55. For the reasons set out above, Housing 21 respectfully asks the Tribunal to grant dispensation from the consultation requirements in relation to the proposed long-term agreement for the supply of gas and electricity.

56. If the Tribunal considers that any condition should be attached to the grant of dispensation, including in relation to further resident information or the provision of a feedback summary, Housing 21 will consider and comply with such directions.

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: A. Chard.

Name: Amarjit Chand

Dated: 20/4/26

EXHIBITS

AC1 - Resident letter, February 2026

AC2 - Resident Q&A sheet, February 2026

AC3 - Manager / engagement slides

AC4 - NUS report

AC5 - Resident feedback summary

AC6 - Mr Ma[redacted]n correspondence

AC7 - Video transcript and link

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EXHIBIT AC1

This is the Exhibit "AC1" referred to in the Witness Statement of Amarjit Chand

Housing 21

Address:

XXXXXXX
Date: February 2026

Dear Resident,

Working to get the best deal on communal gas and electricity

Our current energy contracts for **communal supplies of gas and electricity** will end in **XXXX**.
Communal supplies include spaces like, lounges, corridors, outdoor lighting and these are included within your service charge.

This does **not** affect your own personal electricity or gas supply at home, unless this is provided to you by Housing 21 through the "utility" part of your service charge.

Why we are writing to you

We want to achieve better value for money for our residents when buying energy.
Energy prices change very quickly. Sometimes they change every hour.
To get the **best price** for residents, we need to act fast.

Normally, we would follow a lengthy consultation process called **Section 20** before choosing a new long-term contract. Since energy prices move so quickly, this process doesn't work for fast moving markets like the energy market.

Housing 21 is asking a government body called the **First Tier Tribunal** for **permission to follow an alternative process to the full Section 20 requirements –** this is called '**dispensation**'.

Many housing organisations use dispensation for energy contracts because prices change so fast.

The Tribunal will decide on the alternative process that we propose.

What does this mean for you?

- Your utilities supply will continue as normal; there is no action you need to take at this time.
- This letter begins our alternative consultation until the end of March 2026. We'll stay in contact with you through a variety of ways. The attached Question and Answer Sheet outlines the opportunities you will have to share questions or feedback.
- Please use this as your opportunity to tell us what you think.
- This application does not change your rights. The Tribunal will consider whether it is reasonable to grant the dispensation, considering resident interests.

How to share your feedback

If you wish to comment on the proposal, please send your views to us by [date – at least 14 days from letter] using one of the methods below:

- Speak to your local manager directly
- Email: section20@housing21.org.uk
- Post: FAO: Dispensation Consultation, Tricorn House, 51–53 Hagley Road Birmingham, B16 8TP

Please tell us if you would like your comments to be shared with the Tribunal. We will include a summary of resident feedback in our application papers where appropriate.

• We will file our application with the First Tier Tribunal on/after 1 April 2026. If a hearing is listed, we will notify residents of the date and process.

• If dispensation is granted, we will proceed with the energy contract(s) and issue a follow-up note confirming key terms and any impact on service charges. Any changes will follow the normal budget process and your legal rights remain unchanged.

If you have questions in the meantime, please contact the Local Manager or the regional team.

Thank you for your support. We intend to secure reliable, safe energy supplies and achieve the best value for residents.

Yours sincerely,

Kris Peach

Chief Operating Officer, Housing 21

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EXHIBIT AC2

This is the Exhibit "AC2" referred to in the Witness Statement of Amarjit Chand

Housing 21

Working to get the best deal on communal gas and electricity

Resident Question and Answer Sheet

February 2026

How does Housing 21 buy energy?

In the past, we have opted for either one-year fixed energy deals or variable rates, based on the recommendations of our energy consultants and whichever option was considered the most affordable at the time. We now believe that a longer-term fixed contract would offer better value for money, and securing this type of agreement would typically require formal consultation.

What is Section 20?

Section 20 is the legal process we must follow when consulting with residents regarding such contracts and it is a lengthy process.

What is changing?

As the Section 20 process doesn't work with fast moving markets, like the energy market, Housing 21 is asking a government body called the First Tier Tribunal for permission to consult with residents in an alternative way. This is called dispensation.

What is dispensation?

Dispensation means the Tribunal agrees that we can choose a supplier without completing the full Section 20 consultation. The First Tier Tribunal will have to be satisfied that our alternative proposal is sound and thorough. Many housing organisations use dispensation for energy contracts because prices change so quickly.

Will the Tribunal decide my service charges?

No. The Tribunal will **not** decide:

- how much your service charges should be
- whether the contract price is reasonable

- whether we can recharge the costs

The Tribunal will only decide if we can follow an alternative process.

Housing 21 does **not** make any profit from energy contracts. We only charge residents what we pay.

If the Tribunal directs us to complete further consultation then we will follow their recommended actions.

We'll continue to engage with you regarding the outcome of the dispensation as well as the outcome of the procurement process.

What happens if the Tribunal grants dispensation?

- If the Tribunal grants dispensation, Housing 21 will still act reasonably and transparently. We will provide residents with information about the new or continued contract, costs, and how these are reflected in service charges in line with your lease or tenancy.

How are you involving residents?

- Letters and newsletters
- Supporting question and answer sheets
- Coffee mornings and drop-in sessions with management teams
- The Resident Service Charge Forum has produced a video
- Opportunities for residents to join wider forums (Extra Care or Retirement Living Resident Forums)

Will my service charges go up?

We cannot say yet. Energy prices are changing a lot across the world. We're working to get the best long-term deal to help keep service charges down and give you peace of mind, knowing your costs will stay stable.

New prices will start from **XXXX**.

Will my supply change?

No. Your communal gas and electricity will not be interrupted.
You will continue to pay your service charges in the same way.

Why choose a long-term contract now?

We believe longer contracts (two – four years) can offer better value and surety for residents and offer more protection from price increases.

What happens next?

Housing 21 will send an application to the Tribunal.
You will then receive a letter from HM Courts and Tribunals Service explaining:

- what we have asked for
- what the Tribunal says we must do
- how you can respond if you want to

You do **not** have to respond unless you want to.

How can I contact you with questions or concerns?

If you wish to comment on the proposal, please send your views to us by **[date – at least 14 days from letter]** using one of the methods below:

- Speak to your local manager directly
- Email: section20@housing21.org.uk
- Post: FAO: Dispensation Consultation, Tricorn House, 51–53 Hagley Road Birmingham, B16 8TP

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EXHIBIT AC3

This is the Exhibit "AC3" referred to in the Witness Statement of Amarjit Chand

Energy Contracts
Dispensation and Section 20

How we procure energy

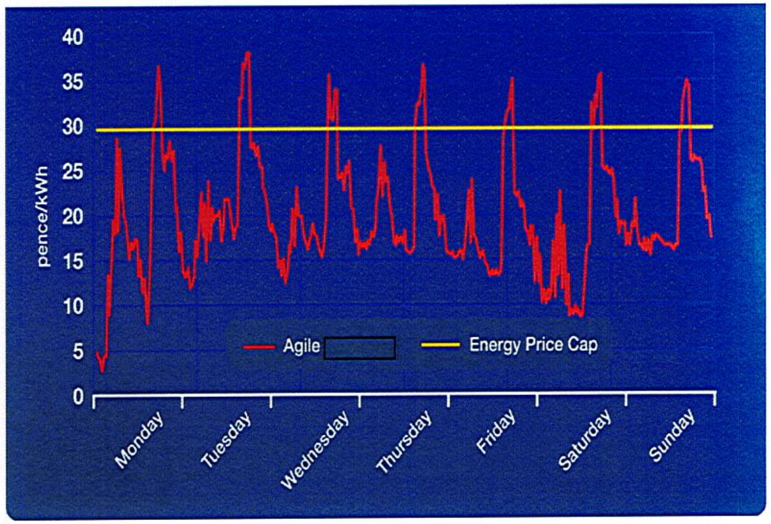
Housing21

- We supply energy to all schemes, either in communal areas, or in communal areas and within properties (for gas/and or electric).
- Residents on all schemes will pay for communal utilities on the service charge. Where we provide energy (gas or electric) into individual properties, they will also pay a separate 'Utility Charge'
- Housing 21 do not profit from utilities, we only charge for what is used and billed to us by our energy provider
- In the past we have either paid a 'variable' rate for energy or locked into short one-year contracts
- We now feel longer-term contracts would be more beneficial for residents, helping to keep bills stable and offering best value

Housing21

Section 20 and 'Dispensation'

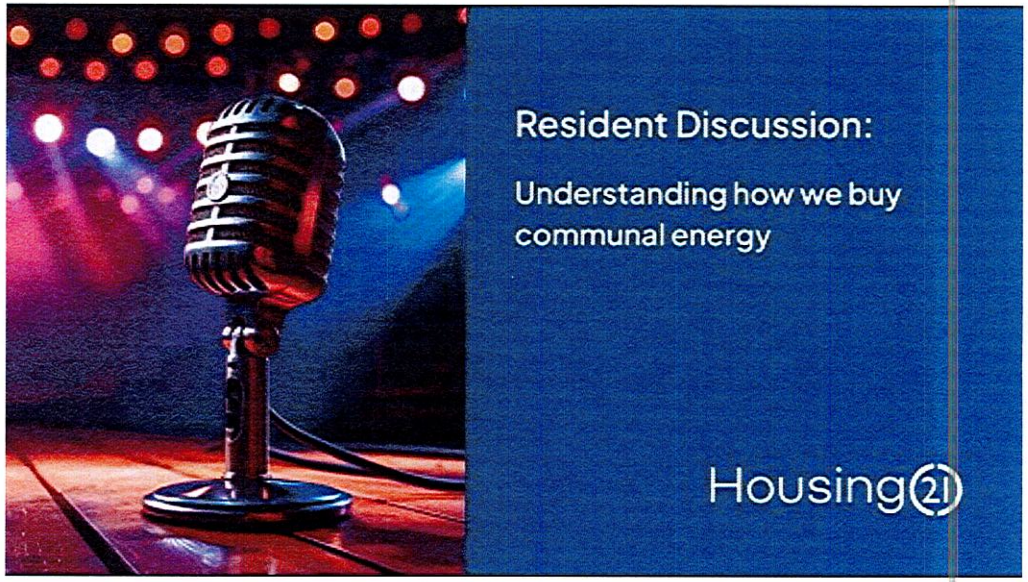
- Many will know the Section 20 process from works like fire alarm or lift replacements, where costs trigger a formal legal consultation with residents.
- Long-term energy contracts also fall under Section 20 as they are classed as QLTAs. But because energy prices change rapidly, sometimes every half hour, the full Section 20 process is often too slow.
- To avoid this, many social landlords apply for *dispensation* from the First-tier Tribunal, which allows them to proceed with procurement without completing the full Section 20 consultation.



How we will communicate this with residents

Housing21

- Before we go to the Tribunal, we are consulting residents about applying for dispensation. A letter will be emailed to all courts which will need to be printed and delivered to all properties.
- The letter explains to residents what we have just discussed, why we feel longer contracts will benefit them and how they can provide any feedback
- A video on our YouTube channel alongside residents from our Service Charge group, to provide the key facts



Will residents be involved in procuring energy?

Housing21

As discussed, involving all residents as part of a Section 20 process would be too lengthy so may mean we miss the best energy deals...

However, we still hope to involve a small number of residents in the procurement process. This may be like how we approached the emergency call monitoring contract, where we held a Teams call with several courts and contractors were able to present to residents gathered in their communal lounges. We could then feed residents views into the process

How can you help?

Housing21

Help us deliver a positive message to residents and keep them updated throughout the process

Hold a coffee Morning and discuss the process

Play the resident "Vlog" in the main lounge or direct people with the link

Support to answer any queries on site using the published "Q&A"

Questions?

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EXHIBIT AC4

This is the Exhibit "AC4" referred to in the Witness Statement of Amarjit Chand

Housing21 – Energy Procurement 3yr Contract
Dispensation Application

1. As part of this review Housing21 have been working with a leading independent global energy consultancy firm, NUS Consulting Group. NUS are a specialist organisation who work with some of the UK & World's leading companies in respect of energy and sustainability. NUS are supplier agnostic and operate numerous energy procurement products for a wide breadth of customers many to procure on a flexible basis. As part of this paper we will outline procurement options that Housing21 may wish to consider, while indicating the differences between the procurement methodologies available, along with our recommendation for the future following the transition. NUS Consulting Group's aim when working with clients is to ensure, in Housing21 case that you are employing the most appropriate/optimal method of procurement for you as a business

2. The mainland UK electricity market became a fully open deregulated electricity market in 1990, from an energy supply perspective. All I&C businesses, Public Sector organizations, and residential consumers can tender, contract and select their own chosen electricity supplier. At the time the only product available was short-term fixed contracts which are agreed in advance of the year of delivery. Whilst this style of contract secures budget certainty at the point of contract is agreed, the issue of selecting which day to go to market is fraught with risk in a volatile market and has been proven to be more expensive over time.

3. **Fixed:** fixed price contract provides complete budget certainty by making a single purchasing decision to secure 100% of the electricity or gas required for a specified period (e.g., 12, 24, 36 months) on a particular/given day. The fixed price is an all-inclusive, 'bundled 'price that incorporates both the wholesale commodity price and the cost of the non-commodity elements. The wholesale energy price component of a fixed price contract is always priced against the forward price curve. Due to market volatility, fixed price offers are generally only available for a short period of time, generally within a day. Although it is true to say that a fixed price contract does indeed provide budget certainty, in reality, there are multiple risks associated with a fixed price contract. The first is timing risk – the point at which the business, e.g. Housing21 goes to market. This is high risk the business is 'hoping' that it chooses a point in time when market pricing is low when they lock in their energy for the next 12, 24, 36 months. Given that there are 260 working days each year, the business has a 1:260 chance of hitting the market low i.e., to 'strike lucky' increasingly so with the market conditions faced since the commencement of the Ukraine War, withdrawal of Russian piped natural gas into Europe, which is now exacerbated with the commencement of the Iranian conflict and the virtual closure of the Strait of Hormuz and the impact on global oil and natural gas price.
4. **Market price risk** – global markets – energy, financial, stocks – are all interrelated and are impacted by events – economic/geopolitical (think about the current Iran conflict). If the business chooses a day when there is extreme market volatility, resulting in higher pricing on that day, then the business is 'locking-in 'that additional volatility risk premium into the price it pays for energy for the next 12, 24, 36 months – e.g., consider August 2022 and the height of energy market pricing and currently the elevated levels due to the outbreak of hostilities in the Middle East.
5. **Volume risk** – A business must secure 100% of its volume requirement on a single day, irrespective of where wholesale market prices are. That means that the business has no further options to choose any other time in the future, when market pricing may be more favorable, at which to lock in any further volume.

Additionally, with the planned changes in your portfolio for directly procured electricity and gas within any contract, you will have to consider the contracted volume tolerance levels and/or any hedging sell-back requirements.

6. **Summary**: Currently, circa 50-60% of the fixed price electricity contract (circa 10-15% for gas) is made up of the non-commodity elements - i.e., the cost in supplying the electricity/gas, such as transmission and distribution charges, as well as government taxes and levies. Many of these non-commodity costs are unknown at the outset, and to provide a fully delivered fixed price supply contract for 12, 24, or 36 months, the energy suppliers need to apply additional 'risk premia /margin' to these non-commodity costs in order to cover this risk. This means that Housing21 could, in effect, be paying an additional cost/be subject to additional charges in order to have the certainty around these non-commodity elements. This is why NUS increasingly recommends to clients when procuring on a Fixed Price basis to consider non-commodity pass-through options.

Flexible Supply Contract:

1. A flexible supply contract is simply a framework agreement whereby the supplier guarantees to provide electricity/gas volume over a specified period of supply, 24-36 months, but without setting or agreeing the price. This then enables Housing21 to 'lock-in' electricity or gas from the supplier at wholesale market prices at various times throughout the period of the supply contract.
2. Unlike a fixed price contract Housing21 can choose when, how much, and for how long to 'lock-in' its forward energy requirements. This ability to choose allows you to procure at various times when there are dips in prices in the wholesale market, thereby reducing the overall cost of the actual commodity electricity or gas. The commodity is secured in 'blocks' or 'tranches' with the supplier throughout the supply contract, and the price for each block is agreed/fixed at the time of each transaction by referencing it to where the wholesale market pricing is trading at that time. This is done by having access to screen-based, real-time prices via market data platforms – e.g., Refinitiv (LSEG)/Bloomberg/Montel – giving Housing21 via NUS, full transparency that the price being agreed with the supplier is an accurate reflection of where the market price actually is.
3. This differs from a fixed price contract, where there is no visibility at all as to what wholesale price was used, as the price quoted by the supplier is a single price that can include both the wholesale commodity price and the non–commodity costs combined or even on a pass through basis the commodity price will be based upon the supplier's price book/matrix.
4. Although Housing21 is exposed to market price risk under a flexible supply agreement, it is the only supply contract type that can allow you to take control and proactively manage the one area you can influence – the wholesale commodity price.
5. The other key factor is that under a longer-term flexible supply agreement, it gives the client the opportunity to react quickly to volatile markets. It's for these reasons, in particular, to proactively manage energy price volatility in the same way as Housing21 would other areas of their business, such as currencies and interest rates, where flexible supply contracts have become the supply contract of choice for most major corporates and our clients. As would be our recommendation to all clients to purchase energy of a flexible product.

Historic Pricing - As an example of performance under a flex agreement vs fixed price agreement, we have provided the below table based on a NUS portfolio performance over the last two years (Important to note the strategy used for the portfolio is in line with a standalone client strategy). The below figures used in this performance example are based on H21 consumption of approximately 40,000 MWh per annum. Column 3 (Fixed price market average) is the 12-month average for fixed pricing; columns 4,5 & 6 show the benefit of a flex purchasing strategy.

Contract period	NUS achieved flex price £/MWh	Fixed price Market average	Benefit p/MWh	Benefit %	Value £
Oct 2023	170.00	197.3	-27.30	-16.1%	£1,092,000

Oct 2024	82.74	100.00	-17.26	-20.9%	£690,400
Oct 2025	84.69	104.91	-20.22	-23.9%	£808,800
				Saving	**£2,591,200**

Under a short-term fixed price contract, should a contract be offered which is valid for a long period of time i.e. week for example then the contract will include a huge risk premium. The wholesale market is a commodity market and as such moves daily, due to recent geopolitical events Ukraine war and the current middle east crisis (Iran) you can see swings in the market in excess of 40%.

Historically the wholesale markets can move by an average of over 50% in a year (Low to High) prior to a fixed price renewal. As a result, it is less risky to manage the risk of purchasing energy through an effective risk managed strategy which looks to purchase energy over a longer period under set parameters.

<u>Volatility:</u>

Below chart's shows the market/price volatility with the onset of war against Iran, for electricity & gas markets.

Nat. Gas Trends

Power Trends

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")

EXHIBIT AC5

This is the Exhibit "AC5" referred to in the Witness Statement of Amarjit Chand

Scheme	Resident Name	Query	Date Query Received	Response	Date Response Sent
Lord Kitchener Court (6)	Mrs C	I am in favour of Section 20 Dispensation on Energy Contracts	21/02/2026 10:28	Tray Jones - Good afternoon, Carol Thank you for taking the time to respond to the section 20 dispensation letter, we will ensure your response is filed.	24/02/2026 16:10
William Birch Court (7)	Mrs O	Thank you for this information laying out your proposal to obtain the 'best' deal on prices for communal gas and electricity. This process although well explained, is I believe beyond my competence and experience to comment upon . I trust the knowledge and expertise of the Housing Association . I would however wish it to be noted should the proposal be approved by the relevant authorities that any supplier of energy be chosen with essential factors of ethics sustainability and environmental policies taken into account . My preference (although I realise that this is not your question) is that the large mainstream suppliers who have profitability and dividends as their primary goal be not considered. There are now a number of well reported ' green' suppliers and I trust that you will make your choices based upon their ethos and values as well as cost . As regards costs also it may be of some albeit likely small benefit to encourage your schemes to examine how communal energy is used notably the year round use of electric driers and permanent lighting as opposed to switch controls .	16/02/2026 17:11	Tracy Jones - Good afternoon, Dorothy Thank you for your email, please see my response on behalf of Kris Peach. Thank you for taking the time to review our correspondence regarding procurement of communal gas and electricity via the dispensation route. We appreciate your acknowledgement of the complexity of the process and your trust in Housing 21's expertise in this area. Your comments regarding ethics, sustainability and environmental responsibility are noted and welcomed. These factors are important considerations for Housing 21 and sit alongside value for money and regulatory compliance when assessing potential energy suppliers. Where possible, supplier ethos, environmental sustainability and responsible business practices are considered as part of the procurement process, in addition to cost. You also raise a helpful point regarding communal energy usage, including the operation of electric dryers and permanent lighting. We agree that efficient use of communal energy is important when looking at value for money and environmental sustainability. We continue to encourage schemes to review energy usage through regular meetings with regional teams, and service charge discussions during the year, we are always looking to explore opportunities for efficiency improvements where appropriate. Your comments will be recorded as part of the consultation feedback. Should the dispensation be approved, further updates will be provided as the process progresses. Thank you again for your engagement and contacting us, we value your feedback.	18/02/2026 14:30
Reginald Noble Court	Mrs S	As a resident, I do not object to the principle of "Dispensation" to secure better energy rates provided it does not lead to Financial Prejudice. However, I request that H21 provides a clear benchmark or cap to ensure the final contract is truly the most cost effective option available at the time of signing. I note Housing 21's commitment to pay all legal costs for this Tribunal Application to include a guarantee that none of these costs including administrative time or management fees related to the Dispensation will be hidden within Future service charge via commercial Electric or management lines. I do consent to these comments being shared with the first Tier Tribunal to ensure they are part of the official record.	16/02/2026 13:36	Tracy Jones - Good afternoon, Pauline Kris Peach has asked me to respond on his behalf. Thank you for your comments and for confirming that you are happy for these to be shared with the First-tier Tribunal as part of the official record. We note your position and welcome your support for the dispensation application, particularly where it enables us to secure improved energy rates for residents. We fully recognise the importance of ensuring that this does not lead to any form of financial prejudice. At this time, it would not be possible for us to promise a fixed benchmark or cap on energy rates. We do not yet know what the market will look like at the point of procurement, and any figure we set now would either be arbitrary or could leave us unable to take the least-cost option available if overall prices are higher than expected. Instead, we can confirm that our commitment is to obtain the best value rates reasonably achievable at the time of contracting, using a robust, compliant procurement process and professional energy advisers to test that the tariffs we accept are competitive. We also confirm that all legal costs associated with this dispensation application, including Housing 21's Tribunal fees, administrative time and any management input, will be covered entirely by Housing 21. None of these costs will be passed on to residents now or in the future, whether through service charges, management fees or any other means. Your comments have been acknowledged and, in line with your consent, will be shared with the Tribunal so that they can form part of the official proceedings Thank you	17/02/2026 17:25

Carew Court (12)	Mr M	I'm a resident at Carew Court in Cramlington and regarding your letter on communal gas and electricity contracts, I have the following comments and observations. There are no gas appliances on Carew Court, only electrical so my comments only relate to electricity. The electricity costs in my flat have dropped in recent years. Each year, prior to the anniversary of my electricity contract, I check the prices of all providers and compare them to see if I can get a better deal which of late I have managed to do. The fixed charge dropped last year making electricity cheaper and it could drop again. I find it strange that Housing 21 Management considers it necessary to go for a longer term contract (2 - 4 years) to fix the rates which could in fact drop annually. Would it not be a better strategy to use the advantage of a national Housing 21 contract to obtain even better rates as a significant and large purchaser? In my opinion a longer term Contract would disadvantage tenants and would unlikely be any cheaper than the way things are at the moment. If a dispensation is obtained it would mean that Housing 21 Management could negotiate a contract (long or short term) without review by tenants thus taking away a level of control on the pricing. Tenants have no influence on the pricing as it is normally presented as a fait au complet with tenants having little chance to challenge the costing and even less chance of changing it. In the questions and answers section you clearly state that Housing 21 will cover the cost of the application itself and the costs will not be added to the service charges. As I understand it, Housing 21 is a non-profit organisation and therefore all costs incurred have to be recovered. Correct me if I'm wrong but the only way Housing 21 can recover cost is through the tenants. This surely means that although the cost is not being added to the service charge it must be added to the rent otherwise where is the cost of the application coming from? I'd appreciate a more detailed reasoning why Housing 21 Management considers this the best way forward as at present it looks like a means of saving Management time in agreeing National contracts. I wonder if more National contracts will be approached in the same way to save Housing 21 Management even more time. I'm sorry but I think changing to longer term contacts for energy supply is not the best way forward and not in the best interest of your tenants. You state that new prices will not start until April 2027. You could actually start looking at the energy market in mid-year in preparation for negotiations toward the end of this year and early next. Would that not be a better use of your time rather than chasing a dispensation that will cost an awful lot of time and money with numerous solicitors involved and the claim may not even be successful? I'd appreciate you views.	24/02/2026 10:17	Good evening Mr M, Thank you for taking the time to write with such detailed comments. Responding to each point in turn: 1.You are right that many people's electricity bills have come down from the peaks of a couple of years ago, and that shopping around each year can secure a better deal. It's perfectly reasonable to ask why Housing 21 would look at 2–4-year arrangements. Based on the specialist advice we have received: a.The last couple of years have seen prices come off a very high peak. They may fall further, but they may also rise again – we just don't know. If we only ever buy one year at a time, all of our communal usage is exposed to whatever the price happens to be at that one moment in time. If that moment happens to coincide with another spike, service charges jump very sharply. b.Under the approach we are proposing, we don't fix 2–4 years of energy in a single day. Instead, our energy advisers can spread purchasing over time, so we don't gamble everything on a single renewal date. 2.Dispensation does not remove residents' protections. Even if the Tribunal grants dispensation: a.we must still act reasonably in how we buy energy. b.we can only recover the actual costs we incur; and c.residents keep their normal rights to ask questions, complain and, if necessary, challenge the reasonableness of service charges in the usual way. Even under a full Section 20 process, residents do not "sign off" contracts, but they must be informed and their observations must be considered. Through our "Section 20-light" consultation we are trying to mirror that process. Your letter will form part of the material the Tribunal sees when it decides whether our approach is reasonable. 3.You are right that Housing 21 is not-for-profit and that our income comes from rents and service charges. When we say we will cover the cost of the application and that these costs will not be added to service charges, we mean that: a.the legal and Tribunal costs of this dispensation application will not be recharged to Carew Court (or any scheme); and b.they will be met from our central corporate budgets, alongside other overheads such as IT, governance and audit. 4.Is this about saving management time? Pursuing a dispensation application is considerably more time-consuming than simply rolling forward one-year contracts. It involves legal advice, preparing witness evidence, extra resident communications and a formal Tribunal process. The easiest, low risk (for Housing 21) and least time-consuming thing to do would be to simply continue entering into 12 month supply agreements, which do not trigger a s20 consultation, and expose our residents to the risk that on the day of renewal the price has spiked. That is exactly what we are trying to manage with this process. 5.We will still be monitoring the energy market well in advance of April 2027. The purpose of dispensation is to give us the flexibility to act quickly when the best opportunities arise, rather than being constrained by a rigid timetable that might force us into poor value, last-minute deals. Thank you again for sharing your concerns so thoughtfully. With your consent, we will ensure your comments are shared with the Tribunal.	27/02/2026 19:16

Sunnyfield Court (66)	Mr S	Subject: Request for Clarification and Transparency on Recent Communications Dear Manager/Team, Thank you for the recent communications regarding communal energy procurement and the academic misconduct documentation. I would like to raise a few points that I believe require clarification to ensure transparency, accuracy, and confidence in the processes being followed. 1. Clarity and completeness of information Both documents relyheavily on repeated references to internal reports or procedures without providing any substantive explanation of: • the specific findings, • the evidence relied upon, • or the implications for those affected. This makes it difficult for residents or stakeholders to understand the basis of the decisions being communicated. 2. Transparency of decision-making Where decisions are beingmade outside the usual statutory or procedural frameworks (e.g., Section 20 dispensation), it would be helpfulto understand: • the alternative process being proposed, how accountabilitywill bemaintained, • and how residents or stakeholders willbeable to participate or make representations. 3. Procedural fairness Where findings or decisions are referenced, it is important that: • the underlying reports are available for scrutiny, • affected individuals have had the opportunity to respond, • and the process complies with the relevant codes of practice. Without this, it is difficult to assess whether the correct procedures have been followed. 4. Quality and accuracy of documentation The repetition and lack of detail in the academic misconduct document, for example, raises concerns about drafting standards and whether the information has been reviewed for accuracy and completeness before beingissued. I would appreciate clarification on the above points so that residents and stakeholders can have confidence in the processes being followed and the decisions being made. Kind regards, Michael Siveyer 66 Sunnyfield Derby	19/02/2026 09:27	Antony Walker - Dear Mr S Thank you for writing to us in response to our letter about seeking dispensation from the First Tier Tribunal regarding energy contracts. We appreciate your considered response and have provided an answer to each of your queries below. 1.Clarity and completeness of information Our letter and Q&A do not rely on any internal reports or findings. They explain, at a high level, why we are proposing to seek dispensation, namely energy prices move quickly and the full Section 20 timetable does not work well for fast-moving energy markets. 2.Transparency of decision-making We agree it is important that residents understand what we are proposing. That is why we are running a "Section 20-light" consultation before submitting the application. This includes providing written information, offering opportunities to ask questions and give feedback (including via Scheme Managers), and capturing resident comments so that they can be reflected in our Tribunal application papers. If and when the application is issued, HM Courts and Tribunals Service will write to residents with information about the application and how residents can respond if they wish. Should the dispensation be agreed and we move forward with the energy contracts tender process, we will explore involving a group of residents in the procurement process, but as discussed this would be too difficult to do as part of a full section 20 process. 3.Procedural fairness Because this is a Tribunal application, the key documents are the application itself and its supporting evidence (including our witness statement and consultation material). Once the application is submitted, residents will be able to see the application materials in the manner directed by the Tribunal, and residents will be able to make representations if they want to. 4.Quality and accuracy of documentation We take drafting quality seriously. The letter and Q&A are intended to explain the process in plain English for residents and families. If you believe any particular sentence is unclear or inaccurate, please point us to the wording and we will correct or clarify it I hope this answers your concerns but please do not hesitate to contact me if you have any further queries or comments	06/03/2026

Randall Schofield Court (8)	Jennifer Lansdowne	Dear Mr Peach, With reference to your letter to Housing21 residents regarding the renewal of energy contracts, I would like to make the following comments: If I have understood your letter correctly, Housing21 does not have to use the Section 20/dispensation process because at present the energy contracts are fixed on a one-year basis. I also understand that the company feels better deals could be obtained by taking longer fixed contracts. My queries are as follows: 1. How much, on a percentage basis, could be saved on energy itself by having extended contracts? 2. Would there be savings on the standing charges? 3. Although none of us have crystal balls, has a risk assessment been made on the possible volatility of the wholesale energy markets both in the near future and within the next say 3 years if we had longer fixed contracts? 4.I am not an expert on these matters but to me logic dictates that should there be an escalating situation in the Middle East, such as Iran and the potential challenges between Saudi Arabia and the UAE, or other factors such as a lowering of global energy demand/costs, as is being seen by mainly China's efforts with green energy, we would be locked into an unfavourable contract for some time. 5. In relation to costs, staying with one year fixed contracts without the need for a Section 20 or indeed the cost of going to the First Tier Tribunal to request dispensation would negate these, thus saving money whilst at the same time giving the company the flexibility to quickly adapt to the changing markets. 6. During my years as a resident I have been led to understand that in order to obtain a better wholesale rate on our energy needs Housing21 affiliates with other companies, which makes good sense. However, if this still holds true, how would this affect our buying power if we chose not to make longer term contracts but our partners do (or vice versa).? Thank you for your time and I look forward to hearing your thoughts. Kind regards	24/02/2026 01:18	Anthony Lansdown - Dear Ms Lansdowne Thank you for your correspondence in reply to our letter on seeking dispensation from the Section 20 process on energy procurement. I apologise for the delayed reply. I appreciate your considered response and I hope the below answers are helpful. 1.How much, on a percentage basis, could be saved on energy itself by having extended contracts? This is not something that we can confirm until we have been through the procurement process, however the advice from our energy consultants is that this approach should offer the best value long-term. 2.Would there be savings on the standing charges? As with above, this is not something we can confirm at this stage until we have reviewed offers through the procurement process, which would follow successfully being granted dispensation by the Tribunal. Standing charges tend to include many fixed costs so we do not expect to see a significant difference between providers. 3.Although none of us have crystal balls, has a risk assessment been made on the possible volatility of the wholesale energy markets both in the near future and within the next say 3 years if we had longer fixed contracts? Sadly, as you will have seen, in the time between your email and my response, energy markets have returned to volatility due to the war in the Middle East. The risks of such volatility is a significant factor in us pursuing this approach. Such risks were considered within the advice provided to us by our energy consultants. 4.I am not an expert on these matters but to me logic dictates that should there be an escalating situation in the Middle East, such as Iran and the potential challenges between Saudi Arabia and the UAE, or other factors such as a lowering of global energy demand/costs, as is being seen by mainly China's efforts with green energy, we would be locked into an unfavourable contract for some time. 5. In relation to costs, staying with one year fixed contracts without the need for a Section 20 or indeed the cost of going to the First Tier Tribunal to request dispensation would negate these, thus saving money whilst at the same time giving the company the flexibility to quickly adapt to the changing markets. I have grouped your two questions above together as hopefully my answer will cover both. As mentioned above, conflict in the Middle East is now starting to have an effect on energy prices as you rightly foresaw in your fourth query. Under the approach we are proposing, we don't fix 2–4 years of energy in a single day. Instead, our energy advisers can spread purchasing over time, so we don't gamble everything on a single renewal date. Our advisors will be watching the development of the conflict and the corresponding impact on energy markets closely over the next few months to help us time our procurement exercise in the most advantageous way possible. 6. During my years as a resident I have been led to understand that in order to obtain a better wholesale rate on our energy needs Housing21 affiliates with other companies, which makes good sense. However, if this still holds true, how would this affect our buying power if we chose not to make longer term contracts but our partners do (or vice versa).? Our bargaining power in this process rests on the sheer size of our organisation with over 600 schemes using energy for communal areas and in some cases also for resident's own properties where we have heat networks. Extending contracts over a longer period should further strengthen that bargaining power as energy companies seek to win that long-term revenue. I hope the above answers your queries but if there is anything further please do not hesitate to contact me. With your consent, we would also like to include your correspondence in our submission to the Tribunal?	27/03/2026 14:30

	George Spry	Good morning Kris, Apologies for contacting you direct but after 24 years with h21and knowing you have served for many years I felt this was an opportunity to re-connect. A couple of questions on your recent paper regarding the subject matter. Why aren't h21already on dispensation for energy contracts? On our service charge statements under utilities for communal areas is the organisation in receipt of the 5% vat concession or is it 20%. Hopefully the tribunal will grant dispensation and residents can look forward to being fully informed in due course. Many thanks Kris Kindest regards George	25/02/2026 10:15	Good afternoon, George, My apologies, I have been on holiday and must have missed this email, but I'm happy to clarify the points you've raised about energy procurement and how this links to service charges and VAT. Historically, Housing 21 has either used one year fixed or variable energy deals, based on advice from our energy consultants and whichever option offered the most affordability at the time. However, long term energy contracts count as a Qualifying Long-Term Agreement (QLTA), which normally requires a full Section 20 consultation with residents. The challenge is that the Section 20 process is too slow for the fast moving energy market, where prices can change hourly. That's why many housing providers seek dispensation from the First-tier Tribunal and Housing 21 is now following the same approach. Dispensation would allow us to secure a longer-term contract more quickly, helping keep prices stable for residents and achieve better value. Regarding VAT on communal utilities, Housing 21 does not profit from utilities, residents are only charged what we pay. VAT treatment depends on the nature of the supply: •Communal energy used in shared areas (lounges, corridors, external lighting, etc.) is procured centrally by Housing 21 and then recharged through the service charge. •Where energy is supplied into individual properties via Housing 21, this is recovered as a "Utility Charge". The resident materials issued explain the structure of charges, but do not explicitly list VAT rates. However, the organisation applies VAT strictly in line with HMRC rules. For communal energy used in domestic/residential settings, the 5% reduced VAT rate is typically applicable where the usage meets HMRC's "domestic use" criteria. Where usage is classed as commercial, it can attract 20% VAT. If your scheme wants confirmation of the exact VAT rate being applied on your latest statement, your Local Manager or the Service Charge Team can provide the specific breakdown for your court. I hope this clarifies some of the points for you, I would also like to thank you for getting in touch, we are hopeful we can secure the dispensation and achieve better value for money for our residents across Housing 21.	24/03/2026 12:21

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")

EXHIBIT AC6

This is the Exhibit "AC6" referred to in the Witness Statement of Amarjit Chand

On 27 Feb 2026, at 19:15, Tracy Jones <Tracy.Jones@housing21.org.uk> wrote:

Good evening Mr M[redacted],

Thank you for taking the time to write with such detailed comments. Responding to each point in turn:

1. You are right that many people's electricity bills have come down from the peaks of a couple of years ago, and that shopping around each year can secure a better deal. It's perfectly reasonable to ask why Housing 21 would look at 2–4-year arrangements. Based on the specialist advice we have received:

    a. The last couple of years have seen prices come off a very high peak. They may fall further, but they may also rise again – we just don't know. If we only ever buy one year at a time, all of our communal usage is exposed to whatever the price happens to be at that one moment in time. If that moment happens to coincide with another spike, service charges jump very sharply.

    b. Under the approach we are proposing, we don't fix 2–4 years of energy in a single day. Instead, our energy advisers can spread purchasing over time, so we don't gamble everything on a single renewal date.

2. Dispensation does not remove residents' protections. Even if the Tribunal grants dispensation:

    a. we must still act reasonably in how we buy energy.

    b. we can only recover the actual costs we incur; and

    c. residents keep their normal rights to ask questions, complain and, if necessary, challenge the reasonableness of service charges in the usual way.

    Even under a full Section 20 process, residents do not "sign off" contracts, but they must be informed and their observations must be considered. Through our "Section 20-light" consultation we are trying to mirror that process. Your letter will form part of the material the Tribunal sees when it decides whether our approach is reasonable.

3. You are right that Housing 21 is not-for-profit and that our income comes from rents and service charges. When we say we will cover the cost of the application and that these costs will not be added to service charges, we mean that:

    a. the legal and Tribunal costs of this dispensation application will not be recharged to Carew Court (or any scheme); and

    b. they will be met from our central corporate budgets, alongside other overheads such as IT, governance and audit.

4. Is this about saving management time? Pursuing a dispensation application is considerably more time-consuming than simply rolling forward one-year contracts. It involves legal advice, preparing witness evidence, extra resident communications and a formal Tribunal process. The easiest, low risk (for Housing 21) and least time-consuming thing to do would be to simply continue entering into 12 month supply agreements, which do not trigger a s20 consultation, and expose our residents to the risk that on the day of renewal the price has spiked. That is exactly what we are trying to manage with this process.

5. We will still be monitoring the energy market well in advance of April 2027. The purpose of dispensation is to give us the flexibility to act quickly when the best opportunities arise, rather than being constrained by a rigid timetable that might force us into poor value, last-minute deals.

Thank you again for sharing your concerns so thoughtfully. With your consent, we will ensure your comments are shared with the Tribunal.

Kind Regards

Tracy Jones

Head of Operational Development & Caldicott Guardian for Housing 21

Housing 21, 10th Floor Tricorn House, 51-53 Hagley Road, Birmingham, B16 8TP

Internal Extension : 0300 790 1133
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Email:tracy.jones@housing21.org.uk

<image001.png>
PLEASE NOTE – I AM A MOBILE WORKER GENERALLY WORKING 9-5PM MONDAY – FRIDAY WITH ALTERNATIVE MONDAYS AS A NON WORKING DAY. I AIM TO ANSWER ALL EMAILS WITHIN 48 HOURS. IF YOUR QUERY IS URGENT PLEASE CALL ON MY MOBILE AS I AM OFTEN IN MEETINGS AND OUT ON SERVICES.

From: [redacted]@icloud.com <[redacted]@icloud.com>
Sent: 24 February 2026 10:17
To: Section 20 Framework <Section20Framework@housing21.org.uk>
Cc: Suzanne Anderson <Suzanne.Anderson@housing21.org.uk>
Subject: Dispensation on Energy Contracts

You don't often get email from [redacted]@icloud.com. Learn why this is important

Attn : Kris Peach

Dear Kris,

I'm a resident at Carew Court in Cramlington and regarding your letter on communal gas and electricity contracts, I have the following comments and observations.

There are no gas appliances on Carew Court, only electrical so my comments only relate to electricity.

The electricity costs in my flat have dropped in recent years. Each year, prior to the anniversary of my electricity contract, I check the prices of all providers and compare them to see if I can get a better deal which of late I have managed to do. The fixed charge dropped last year making electricity cheaper and it could drop again. I find it strange that Housing 21 Management considers it necessary to go for a longer term contract (2 - 4 years) to fix the rates which could in fact drop annually. Would it not be a better strategy to use the advantage of a national Housing 21 contract to obtain even better rates as a significant and large purchaser? In my opinion a longer term Contract would disadvantage tenants and would unlikely be any cheaper than the way things are at the moment.

If a dispensation is obtained it would mean that Housing 21 Management could negotiate a contract (long or short term) without review by tenants thus taking away a level of control on the pricing. Tenants have no influence on the pricing as it is normally presented as a fait au complet with tenants having little chance to challenge the costing and even less chance of changing it.

In the questions and answers section you clearly state that Housing 21 will cover the cost of the application itself and the costs will not be added to the service charges. As I understand it, Housing 21 is a non-profit organisation and therefore all costs incurred have to be recovered. Correct me if I'm wrong but the only way Housing 21 can recover cost is through the tenants. This surely means that although the cost is not being added to the service charge it must be added to the rent otherwise where is the cost of the application coming from?

I'd appreciate a more detailed reasoning why Housing 21 Management considers this the best way forward as at present it looks like a means of saving Management time in agreeing National contracts. I wonder if more National contracts will be approached in the same way to save Housing 21 Management even more time.

I'm sorry but I think changing to longer term contacts for energy supply is not the best way forward and not in the best interest of your tenants. You state that new prices will not start until April 2027. You could actually start looking at the energy market in mid-year in preparation for negotiations toward the end of this year and early next. Would that not be a better use of your time rather than chasing a dispensation that will cost an awful lot of time and money with numerous solicitors involved and the claim may not even be successful?

I'd appreciate you views.

Many thanks,

[redacted] M[redacted]
[redacted]ew Court
Cramlington
NE23 6DZ

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")

EXHIBIT AC7

This is the Exhibit "AC7" referred to in the Witness Statement of Amarjit Chand

Housing 21 – Communal Energy, Section 20 and Dispensation

A resident-facing YouTube video has been produced featuring Housing 21 and residents from the Service Charge Group, explaining the dispensation process in plain English. https://youtu.be/q3r513U2GoY?si=1a4OAoZ_grfjHPv5

Video Transcript

Hello and welcome. I'm Tracy Jones, Head of Operational Development at Housing 21. And I'm Antony Walker, Head of Retirement Living in the South West. Today we're talking with two of our residents, Tom and Ian, about communal energy costs, the section 20 process, and why Housing 21 is applying for something called dispensation.

Hi, I'm Tom Long and thank you very much for inviting me along today and it's good to see residents involved right at the beginning of any process.

Hi, I'm Ian and it's a real pleasure to be here talking to you and hopefully learning something new and useful.

So Tracy, the first thing the residents want to know is why all this now? Why is Housing 21 writing to us about energy yet again?

It's a really good question, Tom. So, our current communal gas and electric contracts are due to end soon. And because energy prices change so quickly, sometimes even hourly, we need to act fast to secure the best possible long-term deal for residents. Yes. So longer term contracts, usually two to four years, tend to offer a lot better value and protect residents from sudden spikes in prices.

So, how do you normally buy energy? Is it like us deciding if we want to switch providers or do you have to do something else because of it being sort of Housing 21?

No, it's it's very similar. So, historically, we've used one-year fixed deals or we use variable rates. It depends on the expert advice we get from our consultants. So the thing is with the way the market is now, we believe the best thing to do is to get a longer term contract because that will give residents much more stability. I think the challenge is is that it's agreeing that long-term contract and that requires formal process called section 20 which can take quite a long time.

Oh Tracy, section 20. Some of us residents did have experience of this last year with the buildings insurance. And my understanding is that it was designed way back in 1987 to protect residents from unexpected or unreasonable service charge costs and that the 23 act hasn't really changed anything but reinforced transparency and access. Is that correct? And where does that sit with with this new proposed process?

Yeah, you're absolutely spot on there, Tom. So, section 20 is a statutory consultation process that requires us to inform and seek feedback from residents before entering into major contracts. It's an important safeguard that ensures transparency. It gives residents meaningful influence although the process itself can be really lengthy. Yeah, and unfortunately it just doesn't work very well with fast moving markets. You'll have probably seen on the news that energy prices can rise and fall within hours very quickly and so we could easily miss a chance to secure and get the very best rate.

So exactly what is a dispensation and what does it mean for residents? I mean how are we going to know and how is it going to affect us?

So dispensation is when we ask the First Tier Tribunal for permission to use an alternative quicker consultation process and I think just to be really clear on that dispensation does not allow us to skip consulting with residents altogether. The tribunal needs to be satisfied that our alternative approach has been reasonable and really thorough. This isn't an unusual process to follow. A lot of housing providers use dispensation for energy contracts precisely because those prices move so rapidly. It's often the best thing to do.

Some residents I know in this situation where there's change may worry that the tribunal may set the service charges. That surely can't be right, can it?

No, not at all. So the tribunal will not decide how much your service charges should be, whether the contract price is reasonable or whether we can recharge the costs. Their only decision is whether we can follow a different consultation process because of the fast changing energy market.

So the question everyone's going to ask is will this affect our service charges and how?

So we honestly can't say yet. Energy prices around the world are changing a lot. What we can say is that we're working really hard to secure the best long-term deal to help keep service charges as stable and as affordable as possible. So this talk of dispensation will not affect communal energy supplies but can be justified where it avoids higher energy bills or prevents exposure to market shocks because it supports stable and predictable service charges. And the 23 act would still need Housing 21 would still need to explain under the 23 act how they how they did and why or what they did and why. So to be perfectly straightforward with everybody would this ensure flexibility coupled with accountability.

So so firstly whatever happens your communal gas and electric won't be interrupted. That that's all fine, and you'll continue paying your service charges in exactly the same way. This process is solely about keeping costs down and avoiding the volatilities that can come with the energy market.

In terms of ensuring the the accountability going forward and transparency, we'll definitely be looking to get people involved. So, how are you going to make sure that everyone understands what's going on and what's happening because this sounds like it could be a very complicated thing for residents to understand?

Yeah. So, we're going to be sharing information through letters, newsletters, Q&A sessions and support sheets and also holding some coffee mornings and drop ins with local managers. Resident forums will be involved. The the resident service charge forum for example which you guys are both a part of and now helping to create this video.

That that all sounds brilliant. Everybody's going to be involved. So what happens next? And are Housing 21 able to confirm that that in balancing this speed, this consultation and costs that the overriding objective is to minimise residents costs whilst remaining transparent and accountable.

Absolutely. Absolutely, Tom. So I mean the first next step will be Housing 21 will submit the application for the dispensation to the tribunal. But yeah, aside from that as well, we would be absolutely looking to get some residents involved in that process and feeding into it and influencing it. I think it's important to say as well, residents will also then receive a letter directly from the courts and the tribunal service explaining what we've asked for, what they say we must do, and how residents can respond if they want to.

That's all been really helpful and very interesting. But I just want to confirm because I can imagine the reaction of people with getting a letter from the regulator. If people have further questions or want to respond, they should basically talk to their local managers first and then they can signpost them to the relevant information.

Absolutely. Yeah. So contact your manager. Your manager is always that first port of call or contact us using any details that we send out as well in the letters. So that's perfectly straightforward. We know what's going to happen and and there's a route if you don't know what's going to happen, there's a route to ask the questions.

Lovely. Take care and thanks for watching. Thank you very much. Bye-bye. Thank you. Bye-bye.