

15<sup>th</sup> May 2024

Our Ref: OJ/BK/  
BIR/00CN/LDC/2024/0003

Dear

**Your communal energy supply**

We buy electricity and gas that are supplied to your building's communal areas (and/or the heat network that certain properties may be part of) - "communal energy" - directly from the energy market, so we and you get a better deal.

As we buy the communal energy directly from the energy market, if we enter into a deal that lasts longer than 365 days (a year), we can't comply with a consultation process set out in section 20 of the Landlord and Tenant Act 1985. You are likely to be aware that during 2021 and 2022 energy prices went through a period of highly unusual price fluctuations caused by world events that affected the supply of electricity and gas. In 2022, we entered into 2 year deals for communal energy, because they represented the best value for residents at that time. So, we have made an application to the First-tier Tribunal (Property Chamber) ("the Tribunal") for dispensation from those consultation requirements. You'll find on the back of this letter some frequently asked questions giving you more information.

To minimise costs, all future correspondence and documentation relating to our application (including copies of the application, the directions and final decision of the Tribunal) will be displayed on our website (as we receive them and with personal leaseholder details redacted); to view please go to <https://nehemiah.co.uk/about-us/ftt-dispensation/>

If you would like to receive a paper copy of our application with supporting documents and the directions, or have any questions about this letter, please contact our solicitors, Anthony Collins Solicitors LLP:

- by telephone on 0121 269 3317
- by email at [Nehemiah@anthonycollins.com](mailto:Nehemiah@anthonycollins.com)
- by post by writing to Anthony Collins Solicitors LLP at:

Freepost RLYK-JZBZ-HRCZ  
Anthony Collins Solicitors (Nehemiah UCHA)  
134 Edmund Street  
Birmingham  
B3 2ES

Please contact our solicitors using these contact details by 7<sup>th</sup> June 2024 if you would like to receive a paper copy of our application with supporting documents (with personal leaseholder details redacted) and the directions.

Yours sincerely

Patrick Bryan  
Finance Director  
**Tel: 0121 358 0966 (Gen.)**

## **Frequently asked questions: communal energy**

### **What is communal energy?**

Energy (gas and/or electricity) supplied to the areas that we light, heat and/or power outside of your front door is referred to as 'communal energy'. For example, lighting the stairs to your flat, or powering a door entry system.

### **What is a heat network?**

It is likely that you will be aware if your property is part of a heat network, since it should have been explained to you at the start of your tenancy or lease. Heat networks supply heat from a central source to customers, via a network of underground pipes carrying hot water. The energy supplying that heat network may be charged to individual properties using the service charge. If so, that energy is also part of the current application.

### **What is dispensation?**

We are required to consult with customers when entering any long-term agreement for services under section 20 of the Landlord and Tenant Act 1985 (the 'consultation process'). A dispensation in this instance is special permission, from the Tribunal, to pass on the costs that we have incurred in sourcing the communal energy under the 2 year deals to residents, without being subject to a cap, although the normal consultation process has not been followed.

### **What do I have to do now?**

This is communication to let you know that we're applying for dispensation in relation to the energy deals we have entered into on a long-term arrangement. You can find out more by visiting our website to read the application or contacting our solicitors as shown on the first page.

### **How can I trust you got the best deal?**

We worked with a broker, The Monarch Partnership Ltd ("Monarch"), who searched the whole energy market, locking in the best deal on the market at that time. We used the same arrangements to buy energy for our own head office. We wanted the best deal for all of us going forward, for years to come.

### **If it's a good deal has Nehemiah done this for their offices?**

We did. We included our head office.

### **Why didn't Nehemiah consult its customers?**

When we're trying to get the best energy deals for you, suppliers are only able to lock in the best available prices for a very short time (usually less than one working day). This short period meant it wasn't possible for us to consult with you using the normal Section 20 consultation process, before entering into the 2 year deals.

### **What if I don't agree with this dispensation?**

You can write to the Tribunal directly to make your own representations, which **must be received by the Tribunal by 21<sup>st</sup> June 2024**. Their address is "First-tier Tribunal Property Chamber (Residential Property), Midlands Region, Centre City Tower, 5-7 Hill Street, Birmingham, B5 4UU" and their email address is [rpmidland@justice.gov.uk](mailto:rpmidland@justice.gov.uk). Quote case reference BIR/00CN/LDC/2024/0003. Do make sure any representations are received by the Tribunal in accordance with their directions (see our website or contact our solicitors by one of the methods shown on the first page of this letter to obtain a paper copy).

### **What if I don't want to change my home supplier?**

You don't have to. This application relates only to the communal energy supply, and does not change any existing arrangements you already have for the gas and/or electricity supplies in place within your home. If you're part of a heat network, this application relates to the deals we have already entered into for the current energy supply to your home as well as to the other properties within the network.