

There is an error in the Hon Treasurer's Commentary in his report. He refers to the £34,720 settlement received in January 2026 for the BA's successful service charge legal challenge.

This is incorrect it should read for the BA not opposing the City's application for dispensation for failing to issue a section 20 notice.

The story goes back nearly three years.

Jan Marc has asked me to explain as I was chair of the BA at the time

In August 23 the BA was informed that the City had made a mistake in 2017. It had failed to issue a Section 20 notice to lessees regarding its intention to enter into agreement with Hays to provide temporary staff. It was applying to the First Tier Tribunal to seek retrospective dispensation.

At the BA General Council meeting, it was agreed that as there was potentially significant service charge money at stake the General Council should seek legal advice as to how best to respond.

The Council approved a spend of up to £25,000, subsequently increased by a further £10,000 at the March 24 General Council. These were the BA's funds, with no liability for lessees.

Following legal advice, the BA did not challenge the City's application to the Tribunal though it was opposed by an individual lessee.

The Tribunal approved the City's request but noted that any charge for cleaners over £200,000 was excessive. This saved lessees £170,000 which was not charged.

In January 2025 the City made a second application to the Tribunal for dispensation for failing to issue a section 20 notice for future arrangements for the hiring of temporary staff.

Following detailed discussions with the Head of the BEO we were reassured that:

- controls would be in place to manage the utilisation and costs of agency workers
- the City recognised the considerable time and cost that its historical mistake had caused and agreed to reimburse our legal costs subject to not opposing the dispensation.

Given these assurances and noting our legal advice was that challenge was unlikely to be successful and would incur more expense. the BA General Council agreed to accept the City's Offer,

I confirm that all decisions were approved by your General Council. At no stage did the BA make any legal challenge.