



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference	: HAV/00HA/LSC/2024/0635
Property	: 6 Hope House, Lansdown Road, Bath, BA1 5AZ (“the property”)
Applicant	: Janette Margaret Beveridge & Andrew David Beveridge
Representative	: None
Respondent	: Hope House (Bath) Limited (1) School Hill Mevagissey Limited(2)
Representative	: <u>Acorn Property Group</u> Robin Squire
Type of Application	: Determination of liability to pay and reasonableness of service charges Section 27A Landlord and Tenant Act 1985
Tribunal Members	: Tribunal Judge H Lederman MJF Donaldson FRICS D Ashby DipSur FRICS
Date of hearing	: 12 August 2025
Date of Decision	: 13 October 2025

DECISION AND REASONS

DECISION

The Tribunal determines that:

- a. for the service charge year 2021/2022 the Applicants as leaseholders of the Property are liable to pay the First Respondent £19.65 electricity costs incurred in respect of the electricity used by the Estate office at Hope House Lansdown Road Bath (“the Estate”) for Estate service charge calculated at the rate of 1.7241% of £1140.00 for the usage of 4905.00 kWh.
- b. for the service charge year 2022/2023 the Applicants are liable to pay the First Respondent £51.42 for electricity costs incurred in respect of the electricity used by the Estate office as Estate service charge calculated at the rate of 1.7241% of £2983.00 based upon usage of 5763.00 kWh for the year.
- c. for the service charge year 2023/2024 the Applicants are liable to pay the First Respondent and/ Second Respondents £30.98 for electricity costs incurred in respect of the electricity used by the Estate office calculated at the rate of 1.7241% of £1778.50.
- d. for the service charge year 2023/2024 the Applicants are liable to pay the First Respondent and/ Second Respondents £1172.47 for the balance of electricity costs charged as service charge to the Property at the rate of 18.8403%.
- e. The Applicants are liable to pay the Second Respondent £449.14 (being £659.42 less £210.28) demanded for communal gas consumption under cover of email from Bath Leasehold Management of 29th August 2024.
- f. No determination is made about the Applicants’ liability for other sums charged or purportedly charged for service charge years 2024/2025 or other future service charge years.
- g. No determination is made about the Applicants’ liability for the cost of gas utilised in 2023-2024 estimated in the amount of £29,616.00 (or £29,977.60) which the Respondents have accepted liability for.
- h. None of the costs of these proceedings shall be treated as relevant costs for the purpose of calculating service charges payable by the Applicants under section 20C of the Landlord and Tenant Act 1985 (“the 1985 Act”).
- i. Upon the agent for the First and Second Respondents indicating that no claim for litigation costs will be made against the Applicants arising from any of the issues determined in this application, an order is made that no litigation costs associated with this application may be charged to the Applicants under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

REASONS

Background

1. The Applicants, as joint Leaseholders of the flat known as 6 Hope House, Lansdown Road, Bath, BA1 5AZ (“the Property”) made an application on 6th November 2024 for determination of their liability to contribute to the costs of electricity and gas costs as service charge under the Lease dated 23rd July

2021 (“the Lease”). The Respondents were represented by Robin Squire of the Acorn Property Group. Joe Fogarty described as development manager, part of the Acorn group attended the remote hearing on the 12th August 2025 in the company of Robin Squire. Robin Squire described himself as Regional Managing Director at the Bristol office of “the Respondent” in a statement of 18 July 2025 which named two Respondents. He described himself as being employed by Acorn and being duly authorised to make the statement on behalf of Acorn. The Respondents are part of the trading brand of Acorn Property Group.

2. For ease of reference in these Reasons the Respondents should be taken to include Acorn.
3. None of the parties present appeared to have any legal qualifications or experience.
4. The hearing bundle available to all parties comprised 432 pages. Reference to page numbers are to that bundle unless stated otherwise.
5. The Applicants and the Respondents (Robin Squire) each provided a separate skeleton argument. The hearing took place remotely over a period of about 4 hours with several breaks and adjournments ultimately finishing at 2.44 pm. At the end of the hearing the Tribunal directed the Applicants (and the Respondents) to provide their calculations of the amount which they estimated would have been saved from energy costs for the Property had the Energy Bills Discount Scheme been applied in the relevant service charge years. The Applicants’ calculation was provided on 14 August 2025, the Respondents’ response on this issue was sent under cover of email of 19 August 2025 and the Applicants responded in writing on 19 August 2025.

Structure of these reasons

6. In these Reasons where narrative, facts or descriptions are recited, they should be treated as the Tribunal’s findings of fact unless stated otherwise. These reasons address in summary form the key issues which the Tribunal considers it necessary to determine consistently with the overriding objective.

The issues

7. The Applicants, sought determination of liability to pay and reasonableness of service charges in the following service charge periods

23/07/2021 – 24/03/2022
25/03/2022 – 24/03/2023
25/03/2023 – 24/04/2024
25/04/2024 onwards

They also sought orders in respect of costs of these proceedings

Specifically the Applicants challenged:

- 7.1. Electricity Costs allocated to the Property as service charge for parts of the Estate not forming part of their lease (the proportion and the amounts);
- 7.2. Gas Costs allocated to the Property as service charge for parts of the Estate not forming part of their lease (the proportion and the

- amounts);
- 7.3. The (alleged) failure to notify the Applicant of the assignment of part of the freehold to the Second Respondent until 5th March 2025 of the

The Tribunal expressed its view that it had no jurisdiction to address the following issues which the Applicants sought as part of their application:

- a. An order for “Refund” of overpaid or allegedly overpaid service charges;
- b. Interest upon any sums paid or allegedly overpaid service charges
- c. Breach of trust
- d. Breach of any duties of directors or other company law issues;
- e. Failure to register or comply with to determine whether the Heat Network Billing Regulations 2024 had been breached;
- f. To order or require order sub metering or any kind of metering;
- g. Commission of any criminal offences

The Tribunal’s jurisdiction was limited in an application of this kind by the provisions of sections 19 and 27A of the Landlord and Tenant Act 1985 (“the 1985 Act”). At the outset of the hearing the Tribunal indicated it was unlikely it would make any determination which would affect future service charge years.

The leasehold structure

8. The Property, a first floor relatively new conversion is part of a larger development made up of a mixture of new-build leasehold apartments and freehold houses, numbering 58 units in total, all set within 6 acres of land in Bath. The First Respondent appears to have been part of a Group of companies associated with the Second Respondent. The Second Respondent is described by the Respondents’ agent as an associated company within the larger group which took a transfer in October 2023 of part of the Estate subsequently registered in March 2025. The First Respondent developer/landlord is said in promotional literature to have over 20 years’ experience of home-building (houses and apartments).
9. The Property is part of a renovated Grade II listed building. The Property is located in a block is called “Block F”. Adjoining new-build properties are in “Block E”. Within Blocks E&F, a total of 7 apartments share services provided by the landlord. One apartment in “Block F” does not share the communal hallway or lift, but does share all the other block services provided by the landlord. A small portion of bills are split between 6 instead of 7 – this is the difference between “Block F” (7) and “Block F Internal” (6). A range of percentages for service charge schedules are specified in the Lease.

As is common where there is an estate, there are different proportions for allocating service charge costs different parts of the estate:

Block F Service Charge - 18.8403%

Estate Service Charge - 1.7241 %

Internal Block F Service Charge - 20.6804%

Block E and F Lift Service Charge - 20.6804 %

Car Parking Service Charge -4.54%

These are found in the demise and in separate parts of the Fifth Schedule. to the Lease. Within each part of the Fifth Schedule there is a common obligation upon the landlord in the following or similar terms to that contained in paragraph 3 of part II of the Fifth Schedule relating to the Estate Service Charge to: keep a detailed account of the Expenditure on Estate Services and shall procure that an Estate Service Charge Statement is prepared for each Estate Service Charge Year or period by an independent member of the Institute of Chartered Accountants in England and Wales to whom the Landlord shall furnish all accounts and vouchers and afford all facilities necessary for that purpose.

“Estate services” are defined by reference to the landlord’s obligations in the Sixth Schedule to the Lease. Paragraph 7.1 of the Sixth schedule requires the landlord to “keep clean and where appropriate heated and lighted the Estate Common Parts”. The “Estate Common Parts” are defined in clause (4) of the opening clauses of the recitals to the Lease as “all main entrances passages... and other areas included in the Block and provided by the Landlord for the common use of the tenants of the estate” .

It is common ground the estate manager’s office is for the general purpose of the Estate as a whole.

As is common in service charge provisions in Leases, each of the parts of the Fifth Schedule to the Lease and in particular part III (Internal block F common parts service charge statement” contain provision for the landlord to credit the leaseholder for any excess payments made in previous service charge periods: see paragraphs 1.7 to 1.9 pages 70-71. In other words, it would be possible for the Respondents to give effect to the Tribunal’s determination through the mechanism of the service charge account by credit against current or future service charge demands or by amending earlier service charge year accounts.

Service charge administration

10. For reasons that were not explored at the hearing as they were not relevant, the Respondents appear to have operated service charge for the Development as a whole through a separate company Hope House (Bath) Management Company Limited (Company number 10322173). The service charge accounts for the development and individual properties have been prepared on the basis that this company is part of the Respondents wider group and under its control. Neither side raised any issue about this. The Respondents did not challenge any of the Applicants’ calculations which took figures from these service charge accounts held by this company for the Estate.

Electricity costs

11. The Applicants say the Respondents simply charged the Property for the whole of the landlord’s electricity supply [p.144], in an unmeasured bundle, at either 20.6804% or 18.8403% (depending on the year in question). The Applicant say various parts should be charged at 20.6804%, 18.8403% or 1.7241%, or not to service charge [p.145]. The Applicants say this resulted in an inaccurate and unfair service charge to the Property.

12. The Applicants say The “Estate Common Parts” as a whole, describe shared facilities described in the lease - page 36. They argue the Estate Office is for the common use of the whole Estate. They say the Estate’s gardener uses it, the managing agent uses it, and contractors use it; these people are not using it exclusively on behalf of the tenants of Block E/F. None of this was contradicted by the Respondents.
13. The Response of Robin Squires in his statement of 18 July 2025 (paragraphs 5-7) and at the hearing to this was threefold.
14. Firstly, referring to clause 2.3.2. of the Lease (tenant’s covenant about payment for heating and hot water consumed through the communal heating system) the Respondents argue the lease allows for all communal utilities etc to be reclaimed through the service charge and that heating and hot water be charged separately..... The service charge budgets were known to the Applicant prior to purchasing and are without manifest error.” The Tribunal finds this is not material to the Estate office, as there are some panel heaters. Even if that was wrong and the heating in that room is to be regarded as part of the communal heating system, the reference to “without manifest error” would not prevent the Tribunal from finding that electricity costs had not been reasonably incurred, if the costs would otherwise have been so categorised. Such a provision does not prevent the Tribunal from finding that costs have not been reasonably incurred: see *Ground Rents (Regisport) Ltd v Dowlen* [2014] UKUT 144.
15. Secondly it is argued the construction of the Estate, Blocks E&F (included the manager’s office in question) have been identified as one entity: Block EF. This is evident in the planning permission, the construction drawings, the utilities, services and the leases. This office is located inside this building and its reasonable for the landlord’s meter to serve that room. The Respondents argued the electricity usage estimated by the Applicants was being greatly exaggerated.
16. Thirdly the Respondents say the Applicants have (incorrectly) assumed the estate office uses 30.9% of the overall landlord’s electricity supply, is 21% more than they have allocated in the internal common parts, the overall common parts within this block are 203.5m² the estate office is 28.36m² (or 14% of the overall area) as shown at [RS/Exhibit 2] edged brown & the rest of the communal area is 175.14m² (86%) and contains the lift, door entry, fire alarm, AOVs etc. therefore given the estate office is only used occasionally and contains limited electrical uses, it’s ludicrous to suggest its uses 30.9% of the overall landlords electrical supply.” The Respondents exhibit what they describe as the electricity costs of the Estate office at page 338 of the bundle. That estimate was prepared by Joe Fogarty.
17. Robin Squire and Joe Fogarty appeared to have had very little day to day or direct knowledge of the working of the Estate or the Estate manager’s office for the periods in issue. The Respondents accepted that in the period since 2021, 3 separate sets of managing agents had been appointed to deal with the day to day management of the Estate on their behalf HML, Bath Leasehold Management Limited and Principle: see paragraph 2.1 of his statement of 18 July 2025. This turnover of agents is reflected in the service charge accounts prepared for Hope House (Bath) Management Limited.
18. Perhaps even more importantly, the Respondents have been unable to demonstrate that the proportion of the electricity costs charged as internal

Block F service charge to Block F, were “incurred” for that purpose, let alone reasonably incurred. Put another way the Respondents have not shown that electricity costs which they allocated to Block F fell within Block F service charge in paragraph 1.3 of part 1 of the Fifth Schedule to the Lease. Joe Fogarty had not prepared a witness statement in accordance with the Tribunal’s directions and, although as matter of discretion he was allowed to assist Robins Squire during the hearing his views about these were not evidence upon which the Tribunal could place any reliance.

19. The absence of any evidence from any of the managing agents or anyone who had any direct involvement in preparing the service charge (or other) accounts giving rise to the electricity costs charged as service charges was telling. The service charge accounts prepared for Hope House (Bath) Management Limited were of very limited weight in deciding what electricity costs had been incurred by which part of the Estate or where they were properly allocated.
20. The Respondents were unable to point to any individual who had made a decision to allocate electricity costs to any particular part of the Estate. The Respondents were not able to refer to any service charge invoices before 27th November 2023 – none were in the hearing bundle, if they existed. The evidence of the Respondents about these issues allocation and amounts incurred was largely reconstruction and speculation.
21. In addition the service charge accounts in the hearing bundle, for the service charge years 2022-2023 and 2023-2024 were unsigned and did not appear to have been approved by the managing agents or any director by or on behalf of the Respondents.
22. Nor were the Respondents able to point to anyone who had made or purported to make a decision to allocate or reallocate a percentage allocation for electricity or other Block F service charge costs, whether within any part of the Fifth Schedule to the Lease or otherwise.
23. As against that, the calculations prepared by the Applicants of the electricity costs exhibited to their witness statement at pages 147 of the Bundle and those extrapolated from the figures for electricity costs from the 2024 accounts for Blocks E & F at page 273 appeared to the Tribunal to be more likely to be accurate on the balance of probabilities, in the absence of any meter readings.
24. The Respondents (and Robin Squire) were unable to provide any satisfactory evidence for any of the service charge year 2021-2022 (part year), 2022-2023, 2023-2024 to show:
 - a. The correct allocation of Estate manager office electricity costs according to the portions in the Lease;
 - b. That the accounts had been properly prepared;
 - c. That the amounts charged as electricity costs were an accurate reflection of the electricity actually used by the Estate Manager’s office.

Conclusion upon amounts payable by the Property for Estate office electricity

25. To comply with the Lease, the electricity costs for the Estate Office should

have been allocated an Estate cost, not simply as a Block F costs. This means the costs for the Estate office should have been calculated at 1.7421%. The calculations provided by the Applicants at page 147 are the most likely reflection of the costs of the Estate office on the evidence before the Tribunal.

26. The Applicants' calculations at page 147 did not provide a figure for the costs of the Estate office for the 2023/2024 service charge year. It was common ground that service charge year experienced exceptionally high electricity costs reflecting the failure of the boiler and additional use of heaters which Joe Fogarty estimated at £29,616.90 which the Respondents accept is not a liability of the service charge fund: see email 15 April 2025 page 132. Accordingly to calculate the sum payable costs for the Estate office it is necessary to deduct that exceptional item from the figure for landlord's total cost of electricity £36730 given at page 147. That leaves a cost from which the Tribunal estimates on the limited material available 25% (£1778.50) is for the Estate Manager's office to be charged at 1.7421% producing a figure of £33.98 payable by the Applicants for that proportion of the electricity costs. (These figures are necessarily inferred from the incomplete evidence of actual costs available to the Tribunal).

The impact of the for Energy Bills Discount Scheme ("EBDS") upon electricity costs in the 2023-2024 service charge year.

27. The Applicants raised this issue as an exhibit to their witness statement of June 2025 at page 146 ("How much electricity does the Estate office use?") and at page 21 of the Bundle. The Applicants provided further detailed calculations at the request of the Tribunal on 14 August 2025.
28. The Respondents in their reply of 19 August 2025 (16.33) did not dispute that EBDS could have applied to electricity costs. Taking the figures for electricity costs from the service charge accounts provided at page 318 (which appear to be the last revised edition of the 2023-2024 unsigned accounts available), the Applicants say they were charged 18.8403% of £8730.00 on the basis that this was a Block F rate of charge. On the various assumptions in that calculation, they estimate they overpaid £728.27 by reason of the failure to apply for the EBDS.
29. The Respondents accept that EBDS was not applied to the electricity bills and did not dispute this calculation. This means that a proportion of the costs incurred (£728.27) were not reasonably incurred and are not payable under section 19 of the 1985 Act.
30. For this purpose only, the Tribunal assumes that the total cost of electricity for the service charge year 2023/2024 was £8730.00 from which a deduction should be made of £1,778.50 to be charged at the Estate office rates) leaving a balance of £6,951.50 from which £728.27 should be deducted - £6,223.23 to be charged at charged at 18.8403%. This produces a liability of £1172.47 for electricity costs for Block F not part of those used by the Estate office.

The impact of the for Energy Bills Discount Scheme ("EBDS") upon electricity costs in the 2023-2024 service charge year.

31. The Tribunal accepts the calculation of sums which could have been claimed by way of EBDS from gas costs charged to in the Applicants' calculation dated 14 August 2025. The figures in the email response from Joe Fogarty of 19 August 2025 do not show credits for this scheme. This means that a

proportion of the costs incurred (£210.28) were not reasonably incurred and are not payable under section 19 of the 1985 Act.

- 32.** This sum will need to be credited against sums payable by the Applicants against current or future service charges under the terms of the respective provision in the Fifth Schedule to the Lease.

Costs of Tribunal proceedings as relevant costs to be taken into account to calculate service charge

- 33.** Robin Squire indicated the Respondents would not charge any of the costs of these proceedings to service charge. An order under section 20C of the 1985 Act will be made to reflect that position. Had he not done so, the Tribunal would have made an order to that effect on the basis that the Applicants have been largely successful. The Tribunal has taken into account the practical impact of such an order upon other leaseholders. The Respondents are not owned by the leaseholders and the financial burden of resisting these proceedings will fall upon the Respondents, not other leaseholders if such an order is made.

Litigation costs and reimbursement of application and hearing fees

- 34.** This was a case par excellence where the Respondents and their agents brought these proceedings upon themselves by failing to provide adequate substantiation of service charges claimed, to provide early disclosure of relevant invoices or to produce final service charge accounts. At the date of the hearing the Tribunal was unable to make determinations relating to large areas of service charge costs as the Respondents had not finalised or ascertained the costs payable by service charge for Block F including electricity costs and gas costs for 2023-2024. Robin Squire and Joe Fogarty were labouring under the misapprehension that any determination in favour of the Applicants would mean that other leaseholders would have to meet any deficit in recovery of costs. Given the experience and financial strength of the Acorn Group, this reveals that the Respondents did not explore, investigate or follow appropriate advice about the issues raised in these proceedings when they could have done so in a way which might have mitigated the costs and resources expended.

It would not be just or equitable in view of the outcome that the Applicants should have to contribute to the legal and other costs of the Respondents contesting this case.

Reimbursement of application and hearing fees

- 35.** The Applicants have borne the burden of the Tribunal's fees for the application and hearing. They have been successful in this application. It is just and equitable that the Respondents reimburse them for the £320.00 fees within 14 days of receipt of this Decision.

RIGHTS OF APPEAL

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-Tier Tribunal at the Regional office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.