

Netherne Management Limited



To: All Members, Netherne on the Hill

December 2015

This is Netherne Management Limited's last newsletter for 2015, and is being distributed with the Q1 2016 service charge bills. For the benefit of anyone who has not read our earlier updates for the year, we have repeated some of the information that was shared in those earlier updates.

Our intention is to issue quarterly updates to members, with two of these being by way of a letter that will be distributed with service charge invoices, and two by way of a website update (including a link to that update from the Netherne Facebook page). If other ad hoc communications are required, we will use a website update.

We had a request to also send out future communications by email, and we are therefore collecting members' email addresses to facilitate this. Emails will only be sent by blind courtesy copy to all recipients. If you would like to be on our email distribution list, please complete your details by typing the following link in your internet browser:

<https://www.surveymonkey.com/r/NMLe-mails>

Finances and debt

- We have previously reported that over the next few years we will need to spend a considerable sum on the maintenance of the estate and facilities. Such works began this year with the exterior decorating work and repairs required for the Village Hall and Leisure Centre. Such costs are not met from the budgeted service charge income (which only covers the regular and recurring costs anticipated each year) but come from our reserves.
- Our reserves grow from non service charge income, such as exit fees, our telephone mast rent, village hall and pool hire, and bank interest. We have also been collecting interest for late payment from our debtors (see below).
- Despite the significant (non service charge) expenditure that we incurred during 2015, our finances remain healthy, with our reserves still able to support the cost of large, non-regular repair and maintenance work, and the costs of improvements to the Estate, Village Hall and Leisure Centre.
- During 2015, our total debt (unpaid service charges) has reduced from £74,000 to less than £30,000 as we have continued to chase down our debtors. This process included the directors having to spend two separate days in Court (with two of our hardcore debtors). Both of those members have now settled their arrears. Debtors are having to pay NML's legal costs for debt recovery, plus interest for late payment. In some cases, we are suspending debtors' leisure centre memberships until they settle their arrears.
- We highlight that our residual debt is the lowest amount of debt in NML's history, having been over £400,000 when resident directors took over the management of NML in 2011. It has been a long and difficult process to get to where we are today, and there is further work to do, but this is one of our achievements that we are most proud of.

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Service charges

Another of our achievements has been on service charges. In 2011, we inherited a very high service charge budget of £449,000 per annum. However, by taking tight control of our expenditure, we have significantly reduced the annual service charges whilst continuing to improve the facilities we all enjoy (the Estate, Leisure Centre and Village Hall).

In the last couple of years, we have been facing inflationary pressures on a number of fronts, such as the charges levied by Nuffield and SHW, insurances and utility costs. In 2015, insurance costs for the Village Hall and Leisure Centre have risen significantly following increases in assessed rebuilding costs. The insurance premium is now £22,500; double the premium we paid last year.

The result of these various cost pressures is that the 2016 service charge budget is 3% higher than the 2015 budget. Service charges for 2016 will therefore increase marginally. This will mean service charge increases of the order of 50 pence a week.

The following table illustrates how the annual service charge budget has changed in the five years since resident directors took over the management of NML:

Year	Total service charge budget
2011	£449,000
2012	£382,000
2013	£351,000
2014	£345,000
2015	£356,000
2016	£366,000

Compared to the service charges that might have been levied had they remained at the 2011 level, it can be seen that during these five years we have saved members a total of £445,000  This equates to over £1,000 per member.

We expect that had we not brought the annual service charge budget under control, then Netherne would not have become the attractive place to live that it now is.

Leisure Centre and Village Hall

- The new multi-gym equipment was installed in June.
- Hot water supplies to showers have been fixed.
- A number of pool lights were not working, with the fittings having corroded. New and more appropriate pool lighting has now been installed.
- Stepping stone paths laid on the green, to avoid walking on (sometimes muddy) grass when going to the leisure centre.
- Exterior works to Village Hall and Leisure Centre completed. This included masonry, roofing, and brick works, timber repairs and decorating works.
- Window protection fitted to Village Hall windows to prevent further damage arising from vandalism.

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Estate

- An item that has been on our wish list for some time is the lighting for the footpath to Hooley. Having received a small grant from one of our county councillors to help fund this, and following detailed consideration of proposals submitted by several contractors, we have now commissioned this project.
- The footpath around the Green / Chapel Walk has been resurfaced.
- Contractor employed to deal with the extensive goats rue.
- Two more litter bins have been positioned in the village.
- Mal-functioning street light on Upper Lodge Way repaired. (The Upper Lodge Way lights are the only ones in the village that are the responsibility of NML; most other street lighting is the responsibility of Surrey County Council).
- We trialled security patrols around the village on a random basis for three evenings a week. However, we discovered that the firm we employed did not seem to be providing the service we expected, and had to sack them. It has not been possible to find an alternative firm to provide such a service, and so we have decided not to continue those patrols for the time being.
- Works to kissing gate and new fence at Bowen Way were abandoned following feedback received with the previous fencing now restored.
- A new estate mower had to be sourced as the old one had reached the end of its life.
- New chestnut trees will be planted on Netherne Drive to replace the ones that have died.

Commercial dog walking

This has been one of the most difficult issues that the directors of NML have had to deal with since NML was formed.

Following issues raised by a number of residents concerning the ban on commercial dog walking, we felt it would be prudent to conduct a consultation exercise to seek views across the whole village.

The Board recognise the valuable role that these services can provide, not least to working residents with dogs, who value a safe and secure service. However, we also needed to address the concerns of those residents who had raised issues with allowing commercial dog walking on NML land.

There were a large number of responses to the consultation and we were surprised at the number of residents that wanted us to enforce a total ban.

Our recommended option to allow commercial dog walking subject to a licence balanced the concerns of those that wanted a total ban with the concerns of dog owners and dog walkers who felt that a total ban would be unreasonable. We were pleased that our recommended view was

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supported by a majority of those residents who responded. The licensing scheme for commercial dog walking on NML land has now been implemented.

We were disappointed to hear that a small minority of residents (quite wrongly) accused us of conducting a “witch hunt” on this subject. This is an issue that was always likely to polarise opinions, and we worked hard to arrive at a solution that recognised views from across the whole village. The NML Board strives to act in the best interests of the whole village and base their decisions on the knowledge of the full facts. Any member who believes that either the Board or an individual director is not doing so is misguided.

The Directors are happy to meet anyone wishing to discuss any issues; members can contact Michele Gallagher at Stiles Harold Williams so that arrangements can be made.

Netherne Community Bus

The Netherne Community Bus is not funded by the service charge budget and is entirely reliant on fare income from passengers. The Bus Company is a separate company from NML, but has the same Board of Directors. We include it in our updates as we know many Netherne commuters rely on this valuable service.

The Netherne Bus has been a beneficiary of the closure of the Lion Green car park in Coulsdon, with many more Netherne commuters using the service in the latter half of this year. We also receive many enquiries about the bus service from people considering moving to Netherne; it is clear that if the Netherne Bus did not exist then they would not move to Netherne. Indirectly, therefore, we believe the Netherne Bus has contributed to the rise in Netherne property values.

The Netherne Bus is a real success story. We have received lots of great feedback from our passengers about the bus service; the following is an example of what people are saying about it: *“I really appreciate the Netherne Bus team and drivers for helping us residents – thank you very much from me and my other half!”*

Summary

We hope you have found this to be an informative update. The directors (all of whom are residents in the village) have found 2015 to be a particularly challenging year and have collectively spent hundreds of hours on NML business, which can only be summarised in a short newsletter.

The Annual General Meeting of Netherne Management Limited will take place in March or April 2016, in the Village Hall, date to be advised. The Directors hope that many of you will attend the AGM, when we will give further details about our achievements during 2015 and our plans for 2016 and beyond.

Wishing you seasons greetings and a happy New Year.

The Directors of Netherne Management Limited:

Steven Buczek Jo Robins Robert Murdoch Nikki Le Cluse Rajen Shah