

Netherne Management Limited

Company Number: 04026814 Registered Office: One Jubilee Street, Brighton, BN1 1GE

**Minutes of the Annual General Meeting held on Wednesday 22nd May 2019,
commencing at 7.30pm in the Village Hall, Netherne on the Hill.**

Please note: Within these minutes "QFTF" indicates Question From The Floor and "CFTF" Comment From The Floor as it was not possible to record the names of all attendees asking questions and making comments during the meeting. "Board Response" indicates where the Board responded to a question raised at the meeting.

1. Attendees

NML Directors (the Board): Alex Rodell (**AR**) Rajen Shah (**RS**), Gary Smith (**GS**), Lee Ronan (**LR**) and Lee Sheldon (**LS**).

Apologies: Steven Buczek

Secretary: Joanna Robins

Members: Mrs S Allen, Mr A Baderin, Mr D Burge, Mr N Conacher, Mr O Connick, Mr J Court, Mr A Davies, Mr B Davis, Mr C Ellis, Mr E Hills, Mrs H Foreman, Mr A Fowler, Mrs B Gallagher, Mr P Hanson, Mr R Harrison, Ms J Hinks, Mrs H Jones, Ms A Kelly, Mrs L Kriess, Ms V McDonnell, Mr & Mrs Mosby, Mrs A Odams, Mrs P Patel, Ms M Pullara, Mr S Rayner, Mr & Mrs Robertson, Mr M Smith, Mr R South, Ms L Taylor, Mr D Trotman, Mr & Mrs Van Breemen.

7 online votes were received from members who were unable to attend the AGM.

Guests: Michele Gallagher (**MG**) from SHW, Dave Brant (**DB**), Jonathan Hart, Councillor Mark Brunt and Sergeant Kelly Clifton-Sinclair.

2. Introduction

The meeting was chaired by Lee Ronan. **LR** advised that the Directors Report has already been provided in advance. The agenda for the meeting was confirmed to be as follows:

- Approval of the Minutes of the AGM held on 25th April 2018.
- To receive the Directors Presentation for the year ending 31 December 2018.
- Hall Hire and pavilion agreements
- To re-appoint Richard Dobson to sign off the accounts for 2018.
- To elect members nominated for election to the Board.
- A.O.B.

3. Vote to approve the Minutes of the last AGM held on 25th April 2018.

LR explained that following the AGM on 25th April 2018 the minutes were posted to the NML website. There have been no queries or suggested amendments from any members, so the Board asked for approval of the minutes. Proposed by D Trotman, Seconded by J Hinks.

Unanimously accepted by members present at the AGM and approved. **LR** handed over to **RS** to take attendees through the Financial section of the Directors Report.

4. Directors report - Financials

Debt

RS explained that in previous years, NML have had to spend a lot of time on its debt position (unpaid service charges). However, at the end of 2017, debt had reached a very “manageable” level compared to the extraordinary levels in prior years.

RS explained that further reductions would only occur when some of the perennial debtors started to pay their service charges on time or left the village. At present, NML’s biggest debtor is now paying their service charges and arrears, and the second biggest debtor has just left the village, settling all arrears and a large legal bill. During the year another of the perennial debtors also had their property repossessed and all charges were settled. Currently, debt is down to about £15k.

Given this low level of debt **RS** explained that NML have been able to focus time and attention to managing various other projects and initiatives.

RS encouraged members to set up a Direct Debit for service charge payments.

Reserves

RS explained that NML Reserves are funds held to meet the cost of large, non-regular repair and maintenance work, and the costs of improvements to the Estate, Village Hall and Leisure Centre. Such costs are not expected to occur every year and so, historically, they have not been budgeted for in the service charge budget. Instead, such costs have been met from reserves. Examples of such costs are decorating costs (which will occur every few years), the Hooley Footpath Lighting Project (a one off project, not expected to recur), the Village Hall damp works (another one off project), the pool cover (replaced every few years), new gym equipment and boiler replacement costs. The existence of reserves has meant that service charge budgets have not been volatile from year to year.

RS went on to say that reserves are needed in order to meet the costs of sometimes unexpected expenditure as and when it arises. If there was not readily available cash, it would not be possible to pay bills in a timely fashion. Expenditure on projects would have to be deferred and there would be a risk of having to ask members for increased (and volatile) service charges. It would be a very undesirable situation, with NML once again limping along from day to day on a hand to mouth existence.

RS noted that reserves are supported by various non-service charge income streams.

Whilst exit fee income in 2018 was some £6,000 lower than in 2017 (due to the property market), income from hall/pool/pavilion hire doubled, and Leisure Centre memberships increased by approximately £4,000 from non-members.

RS explained that the Board have looked into expenditure over the last five years (2014 to 2018) to see what may re-occur over the next five years (2019 to 2024). There may also be additional costs incurred for the first time during this time period – in particular, new roofs for the hall and leisure centre. In February 2019 it was estimated that during the next five years it may be that £450,000 of reserve expenditure is spent on the ongoing maintenance of the estate and our facilities. This figure will be revisited and recast at the end of each year as part of the budget setting process.

NML’s current reserves position (£300,000) is less than projected future expenditure (£450,000) over the next five years. However, non-service charge income streams, which are variable, but currently of the order of £75,000 per annum, are expected to be received.

RS explained that even after allowing for these non-service charge income streams, it is projected that the reserves position in five years time will have declined to £225,000, which is considered to be a dangerously low level.

Given this projection, the Board have determined that from 2020 onwards members will be asked for increased service charges, with the addition of a new line item in the service charge budget for "contribution to reserves". The aim of such additional contributions would be to stabilise reserves and maintain them at current levels. The exact level of these additional contributions will be determined at the end of each year as part of the budget setting process. As a guide, it is expected that the new line item in future service charge budgets may mean an extra £70 a year service charge for each (private ownership) NML member. There will also be the usual inflationary increases to factor into next year's service charge budget, so members could easily see a total service charge increase of over 10% next year.

QFTF: How much do non-members pay for Leisure Centre membership?

RS response: £45 per month per household.

QFTF: How much revenue is generated from the Village Hall only?

RS response: The total revenue from pool/hall/pavilion hire was £20,000, of which I think the pavilion contributed £3,500. However, I don't have a split for the pool/hall.

QFTF: Have you looked at how much revenue is generated by individual buildings, and whether this covers their maintenance costs?

RS response: We don't look at individual buildings, and they would never cover their costs. For example, the hall damp works cost in excess of £150,000, and we can never expect to get such revenue from our buildings. They were built in the 1900's and so the maintenance costs are increasing.

QFTF: Are you open to ideas of how to generate revenue. Who would one present ideas to?

LS response: We would be happy to talk through any ideas. Please direct them to the board or SHW.

RS handed over to **AR** to cover the Village Hall

Village Hall

AR was pleased to say that over the last year, the Village Hall has returned to its previous splendour after having major works conducted on the surrounding drainage basin and the tower. Throughout all of these works the hall has remained the base for many clubs and groups including dance classes, badminton/table tennis and 'Stay and Play'.

The hall remains open for hire and is an excellent venue to host parties or events.

During the year there are regular events organised by NoTHRA which are open to all residents; these are communicated via social media and leaflet drops.

A defibrillator was installed outside the hall, so they are now two in the village (one in the Leisure Centre).

Looking ahead, the Village Hall will need further ad-hoc repair work to individual broken or missing tiles. Each individual repair can be quite costly and therefore, if repairs increase in frequency it may be more financially viable in the long run to invest in a new roof. Residents will, of course, be updated regularly on this matter.

AR noted that there have been some recent private hire issues, with noise, parking and rubbish disposal being the main problems. NML have sought to address these issues and will review the current hiring agreement to now include:

- No music after 10:00pm
- Install parking bollards in NML Hall parking spaces
- Raise deposit to £200 for evening events (private parties)
- Rubbish – investigate costs for a dedicated bin & collection for the Hall

QFTF – How much is private hall hire?

RS response: £20 per hour for daytime functions. **CFTF:** This seems really cheap!

MG / Board response: It is in-line with other local halls. It may be a good idea to carry out an up to date exercise to price compare with other local spaces (such as the Hooley Village Hall) just to be sure. We will certainly price review the rate for evening functions, however we expect to maintain the rate of £20 per hour for the day. We had previously raised the price previously and there had been much discontent from residents.

CFTF: The Village Hall will never be cost effective. The main issue is parking. You mentioned bollards to protect private parking spaces. Where will they be? By the hall or over by the villas?

Board response: By the hall.

QFTF: Will there be a designated Disabled parking place as I have had to let a disabled person park in my private space when they were using the hall?

Board response: We can certainly look in to this.

QFTF: What percentage of hirers are Netherne residents?

LR response: Only residents can hire the hall due to parking. However we do allow private hirers such as Dance V motion to do so.

AR handed over to **LR** to cover the Leisure Centre.

Leisure Centre

LR showed various slides displaying what had happened throughout 2018.

LR explained that 2018 was a maintenance focused year for the Leisure Centre. During this period a new boiler was installed, along with a new Air Handling Unit (this controls the poolside air temperature). In addition, repairs were carried out to the roof which were unfortunately significantly greater than initially expected.

Due to nearly 50% of the poolside lighting failing the decision was made to change all the lights to a new long-life fitting and bulb (anticipating a saving of >£5k over the next 10 years). Although this created a lovely relaxed atmosphere it was agreed that during swimming lessons and when it was dark outside this lower level of light could do with a boost. For this reason, additional lights were installed at the end of the pool. These lights will be utilised as/when required.

Last year **LR** talked about the revalidation exercise of the Leisure Centre active membership. He was pleased to say this has ensured that only eligible members are using the facility. It has also resulted in increased revenue from our paying members of approximately £4,000 a year (from £10k to £14k). As noted in the finance section, such revenue streams provide very valuable support to our reserves.

LR discussed the new Tennis coach in Netherne and how to get in contact with him. It would be great to get more usage from the tennis courts.

Looking ahead, **LR** hopes that 2019 will be a quieter year on the maintenance front, notwithstanding the plastering and painting poolside.

QFTF: Are the mens showers meant to be fixed? There is water running continuously and you can't turn them off

LR response: We were not aware of any issues but will check.

QFTF: Can the Leisure Centre opening times be extended on the weekend? I would be willing to pay a bit extra to be able to use the Leisure Centre on weekend evenings.

LR response: We have looked in to this before. The cost implications are quite high to NML. It can be reviewed if enough residents are interested, although there would obviously be cost (and service charge) implications of extending opening hours, which would be felt by all members.

QFTF: Can everyone play social tennis?

LR response: No, only members of the Leisure Centre can use the tennis courts.

LR handed over to **LS** for the Cricket Pavilion and Estate

Cricket Pavilion

LS explained that the Pavilion continues to be a popular venue for residents to hire for private parties and events. The Pavilion Café has now been successfully trading for 18 months, providing hot beverages and delicious cakes to residents, friends & family on a Friday and Saturday each week. With the recent installation of a projector screen, there has already been several family movies run during school breaks, with more planned for the summer and autumn.

NML have been trying to improve disability access for residents and customers who would welcome some ramps to enable entering/leaving the building easier. Whilst this has, surprisingly, been a challenging project to complete, the new disability access ramps have just been installed.

LS informed members that NOTHRA ran a very well received family fun day last year, with the Pavilion as the hub of activities. The Residents' Association team are gearing up for another event this summer on Saturday 27th July.

Unfortunately, Franklin Lewin, a local cricket team which had been basing themselves at the Village for their home matches, is no longer playing and has disbanded. **LS** asked if anyone knows of any local teams looking for a base to play (or maybe starting Netherne's own Cricket club?) to contact one of the Directors or Laura at SHW directly.

NML hope that the pavilion will continue to be used by residents as a venue for private hire, meetings, children's parties etc. This can be arranged by contacting Laura Ritchie at SHW on 0207-389-1514 or lritchie@shw.co.uk

General Estate

LS explained that significant progress has been made to reduce the amount of Goats Rue plant that had all but taken over the amenity fields.

There will be a cyclical cut of fields 1 & 2, then 3 & 4 – so that every year a diagonal section of the land will be cut, whilst the other two fields are left to grow naturally. Field 5 will continue to be cut twice a year, to help reduce the goats rue issue further; Field 6 will be left alone in 2019 from a cutting perspective.

In April, work commenced on sowing seeds to create a flower meadow on the estate. This will be sited on the ground (technically referred to as field 7) on the left-hand side of the foot path that leads from Bowen Way, all the way to the children's play area and the cricket pitch, ending at the Villas. The flower meadow will consist of similar seeds to those flowers seen growing in 'Happy Valley'.

As previously reported, some additional park benches have been installed in early 2019 to allow residents to stop and enjoy Netherne's wonderful landscape.

One of these benches has been dedicated to a former NML Director and resident of the Village, Robert Murdoch, who sadly passed away last year and whose suggestion it had been, to add further seating for residents.

LS said that NML are aware that some sections of the tarmac footpath, especially from the Villas to the playground area, are badly weathered and marked with a number of potholes. Three companies quoted to carry out repairs; the lowest estimate received so far is in the region of +£60k to repair in one hit! This work may be completed in three phases and a fourth company has also been contacted on the recommendation of a resident in the village, to get a final quotation.

LS introduced Dave Brant and explained that he is looking to retire. He thanked him for his hard work and long service and announced his leaving in July. NML, aware of his plans, have appointed an Estate Manager to begin then. **LS** introduced Jonathan Hart.

LS talked through the role and new accountabilities expected of the Estate Manager. The strategy is to build on the existing role to maintain village grounds & facilities, with some responsibilities to include reducing the reliance on external contractors, suggesting ways to maximise the use of NML facilities thus creating revenue generating opportunities, implementation of the new hire agreements, and to manage the operation of the village bus.

QFTF: Would it be possible to have the job description of the new Estate Manager please?

LS response: Yes, that shouldn't be a problem.

QFTF: Will there be a handover for the new estate manager?

LS response: Yes. This is expected from 1st July and will last for a couple of weeks.

QFTF: How much extra is the new Estate Manager costing and how will they be able to cope alone with the amount of manual work needed across the estate?

LS response: There will be some extra salary cost but the new 'Estate Manager' role has been designed to also be an income generating position by increasing revenue streams and lower the need for external contractors. We will also be reviewing the needs of a second part time role (as recently vacated by Sean) to determine what is needed and whether a part time role is the best value for money compared to using a contractor to support the Estate Manager. We have deliberately held off making a decision so that the new Estate Manager can input into what we need and be involved in the process.

QFTF: Fields 1-5 – Why are they being grown and how high will they grow?

LS response: The four fields, often referred to as the amenity or tipping fields, are marked as fields 1 to 4 on the map. Each year two of these fields will be cut down to ground level, the other two left alone. These will be rotated every other year

Field 7 is being allowed to evolve into a flower meadow, using wild flower seed mix that is in keeping with that found on Farthing Downs. This will be cut back, when needed based on the advice we receive. Field 5 will be cut down to ground level twice a year (normally March and September). Finally, field 6 will be left alone with ad-hoc strimming and spraying to tackle any significant goats rue growth. This field is obviously on a slope and it contains a large number of young trees that we want to see grow.

The main reason for this approach to fields 1 to 7 is to both maintain the grass and plant life so it doesn't grow out of control but also create some variety of landscape within the environment, allowing various forms of wildlife to exist in these areas.

QFTF: How often is field behind Hine Close cut?

DB response: Once a month.

LS handed over to **RS** to talk about the Community Bus.

Netherne Community Bus Company

RS gave an overview of the Bus Company and explained that it remains a separate company from NML but has the same Board of Directors. Without the service that the bus provides, many people would not have been able to move to Netherne and commuters rely on it. It has undoubtedly contributed towards the rise in Netherne property values.

It began operations in April 2012. The only funding is fare income; in particular it does not form part of the NML service charges. This means that operating costs have to be covered by ticket sales, to avoid eroding the Bus Company assets.

RS explained that there was a ticket price increase in March 2018 which is never good news, however with increased costs, prices could not stay as they were. There is now a two year price freeze on ticket prices until 2020 when they will next be reviewed. **RS** discussed the implications of lower passenger numbers, and therefore fare income.

QFTF – Could we consider using the bus for other activities. Can it be hired to generate more income?

RS response: Potentially. We have looked in to this before and done it once or twice. However, each hire takes a lot of work to organise, whilst ensuring that the hire is actually worth it.

CFTF: People could pool together to get a taxi as that is just as cost effective.

QFTF: Could NML subsidise the bus?

RS response: It's not supported by NML, and service charge budgets are already under many inflationary pressures. The Bus Company began with over £50,000 cash which is now down to £10,000. If there is only 50-60 passengers using the bus then why should all members pay to subsidise it?

QFTF: How many people per journey does it need to be profitable?

RS response: The number of passengers per journey varies. Sometimes there are no passengers, and we rarely have a full bus. On average, it really needs to run at 50% capacity which means 8 people are needed to try to break even.

QFTF: Is the bus the answer? I think that we should negotiate cheap cab fares by speaking to Coulsdon cars and giving them a designated pick up area / time?

RS response: If the bus comes to an end then cabs will have to be the answer.

QFTF: Can the Council help with this? Why can't we have a bus service? We pay a lot of council tax after all?

RS response: One of our local councillors is here and you should speak with him after the meeting.

RS handed over to **GS** to talk about security

GS introduced Kelly Clifton-Sinclair, local neighbourhood police officer

Estate security

GS began by recapping on the CCTV project. Following the EGM and members' vote in March 2019, this project (costing around £90,000) has been suspended. A 33% voting threshold needed to be met and it was not. Only 26% of private members voted (53% in favour, 47% against). Currently, there are no plans to reinstate this project.

GS continued to talk about how Netherne's crime figures remain low compared to the rest of Surrey and indeed the rest of the UK. He showed a slide indicating crime figures in relation to neighbouring areas.

GS talked through general security and the 3 different types of burglary. He offered advice on things you can do to deter/prevent each type. He mentioned that these were also covered in the September 2018 security paper provided by NML.

He explained that Netherne does suffer from low levels of anti-social behaviour and the Directors are conscious that this remains an issue for residents. Residents are encouraged to make use of reporting facilities available, be that online or via the phone. (The JET team look at anti-social behaviour in collaboration with police/local authority).

GS said that he continues to have quarterly meetings with the local police so that information exchange can take place.

QFTF: Is there any interest in a neighbourhood watch?

GS response: NML/Nothra will need to look in to whether there is an appetite for this across the village. Nothra's AGM is on the 12th June.

QFTF (directed at Kelly Clifton-Sinclair): Do you have any jurisdiction over private roads?

Response: Yes, as a crime might be committed.

GS advised that the Directors clinics (held in the pavilion) have not had a high uptake. He encouraged members to come along and ask questions that they have not been able to ask at the AGM. If uptake continues to be low NML will review whether it is still worth holding these clinics. The next clinic will be in July.

GS handed back to **LR**

4. Company business and AOB

Communications

LR explained that NML have set up an email account, from which periodic updates to people who have registered to receive those updates are sent. There are approximately 250 people registered to receive such updates. Members were encouraged to register to be on the mailing list and request to join the NML Members Facebook group.

Appointment of Auditor

LR said that NML are very happy with auditor Richard Place Dobson and the service provided by this firm. He noted that there have already been 7 online votes in favour of their re-appointment.

Further votes to re-appoint RPD can be made by members present using the form provided.

5. Election of Board Members

LR proposed the reappointment of the current directors who were standing for re-election. It was explained that in order to maintain confidentiality, the Director election will be carried out by secret ballot and members were asked to leave their voting cards in the ballot box at the end of meeting. A slide was shown of how to fill out the voting card correctly.

Note: Following the meeting all votes were collated. Other than a lone online vote against the entire board, all other votes were in favour, and accordingly all the Board members were duly re-elected to serve on the Board for the coming year.

6. AOB:

There was time for a limited number of questions at the end of the meeting:

QFTF: Will you look at the current age restrictions of using the Leisure Centre as it is currently age 16 and I would like it to be lowered?

Board response: Discussions were had with Nuffield Health last year and our policies are in line with their national guidelines taking into account Health and Safety considerations. We could however, consider children's sessions.

CFTF – I don't agree that the age should be lowered. It is safer for everyone if the age is 16.

QFTF: Chapel walk lighting. It is very dark and dangerous. Who can I talk to?

MG response: It will probably be your local Management company as it is not NML land. I will talk to you individually about this.

QFTF: How can I get an untaxed car with no MOT removed from a private parking bay?

MG response: Give me the information and I can look into it.

The Chairman thanked all residents for attending, and declared the meeting closed at 9pm.