

Netherne Management Limited

Company Number: 04026814

Registered Office: c/o Stiles Harold Williams, Lees House, Dyke Road, Brighton, BN1 3FE

Directors Report for the year ending 31 December 2023

We are issuing this summary Directors' Report in advance of our AGM on 27th June 2024. The Report will be taken as read for the AGM, and we will use most of the AGM to take any questions members may have.

27 members (6.5% of our total) attended our last AGM on 17th May 2023, including 5 directors! This follows the turnout of 25 members (6.0%) for the 2022 AGM. Whilst such low turnouts are always disappointing, we take the view that this is actually a reflection that very few members have concerns or issues in the village, and that the village remains a great place to live. We will continue to dedicate our time to keep it that way!

We look forward to seeing as many members as possible on 27th June 2024.

The Directors of Netherne Management Limited:

Steven Buczek, Chris Ellis, Lee Ronan, Rajen Shah, Lee Sheldon, John Stokoe

21 June 2024

Zack Jermy

Most members are aware that Zack took over from Laura Dinnage in September 2023, as Laura began maternity leave. He has settled in well and should normally be your first point of contact for any queries relating to NML matters - such as our facilities or service charges. Contact details are as follows:

Email: zjermy@shw.co.uk, Landline: 0207 389 1514

Finances

- Our reserves at the end of 2022 were £585,000, and the draft 2023 accounts show that this figure has grown by over £60,000 during 2023. Our reserves are well supported by a number of sources of non service charge income, and in 2023 these were LC memberships (£23k), Exit Fees (£22k), Hall/Pavilion hire (£18k), Interest (£17k), Estate Rents (£11k), and Telephone Mast (£9k). These non service charge income streams were partially offset by around £37k of reserve expenditure in the year (to subsidise service charges).
- Members will be aware that due to escalating costs, there was a big increase in the 2023 service charge budget, compared to the 2022 budget. The NML Board decided to shield our members from the full effects of inflation in 2023 by implementing a reserve subsidy on service charges.
- It was deemed necessary to continue the reserve subsidy into 2024. The 2024 service charge increase was therefore limited to about 4.5% (at a time when our budgeted costs had actually increased by around 7.5%). The Board's view is that a reserve subsidy on service charges cannot continue indefinitely, and expect the subsidy to be ended in 2025. Members should therefore be prepared for an above inflation increase with the next service charge review.
- NML has been in the fortunate position of having a strong and well managed reserves position, otherwise we would not have been able to subsidise service charges so significantly.
- However, using our reserves, to such an extent, to subsidise service charges has meant that we have had to be very circumspect with reserve expenditure. Otherwise, we could have undone all the good work that happened during the last few years as we rebuilt our reserves position. The Board therefore decided that only essential works would be considered whilst a reserve subsidy is in place; anything deemed non essential or "nice to have" would not go ahead. Things that had been on our radar, such as a retarmac of the footpath running through the park have been deferred. With the reserve subsidy likely to end in 2025 we are beginning to think about what projects and capital expenditure should be prioritised - obvious candidates include the retarmac of the footpath, solar panels for the Leisure Centre and also the restoration of the Cupola at the Village Hall (discussed further below)

- The other thing to mention on NML's finance front is our telephone mast, where we have enjoyed an income of £9,000 per annum for many years from the telecoms tenant (On Tower). The lease expired in 2023 and had to be renewed. Under a New Code, rents for telecoms providers have been substantially reduced. In our case the new rent is only £2,500 p.a. While this is disappointing for NML after we have been used to £9,000 p.a. for such a long time, the telecoms mast income will still provide *some* support for NML's reserves going forward. HOWEVER, the good news is that another telecoms provider has recently approached NML to erect another mast on NML land (close to the existing mast). This is still at the planning application stage, but if it comes to fruition then we will have two telecoms tenants paying rent to NML.

Leisure Centre

- After a successful transition to TotalFit in 2022 we are super happy with the service provided and renewed our contract
- Work was completed to upgrade the showers. The new wall panels look fabulous and should prove to be a sound investment. After some initial issues with the shower units themselves a further upgrade seems to have resolved the majority of the issues.
- We recently took delivery of a new bike for the gym.
- The heater in the sauna was also replaced, and as with every year various other maintenance tasks were completed.
- As always if you have any suggestions, please drop them into the suggestion box in the leisure centre or let a member of staff know and they can pass it on.

Village Hall

- Use of the Hall remains consistent with regular use by the Badminton, Table Tennis/Pickle Ball and recently a new Drama group, together with occasional add hoc hire. Sadly there have still not been any volunteers to take ownership of running the previously popular Tuesday baby group.
- With several of the hall lights not working, we upgraded the hall lighting system to more cost effective dimmable LED
- Cupola works have been on hold for some time, partly due to the high cost of the suggested repairs. The view of the Conservation Officer at RBBC is that the cupola would need to be repaired maintaining its original detail and reinstating the detail lost in recent alterations. We accept that the Cupola cannot just be left to deteriorate further. What is unknown, as yet, is exactly how far the Conservation Officer wants us to go, with "restoring the detail lost in previous alterations". We have therefore commissioned some initial scoping works by a surveyor, with a view to putting a proposal to the Conservation Officer

Estate

- Laying down a new tarmac pathway, between the entrance gate at the Villas, through to the pathway entrance/exit on Bowen Way, was a project that was put on hold as rising energy prices and overall costs made us more circumspect with reserve expenditure. With the reserve subsidy on service charges shortly coming to an end we hope to revisit this in 2024/25.
- Last year we communicated that we were planning to turn a recently felled tree trunk into a wood carving. We asked our members what type of animal we should look to have the sculptor create for us, in a Facebook poll. Nearly 50% of poll respondents voted for an owl, so look out for the transformation of the tree trunk soon!
- A full cyclical tree survey was carried out in June 2023, with over 300 trees being checked. As a result, work was carried out on over 60 trees, with 20 needing to be felled completely.
- A new tree was planted to commemorate the King's Coronation in May 2023 - pictures below!

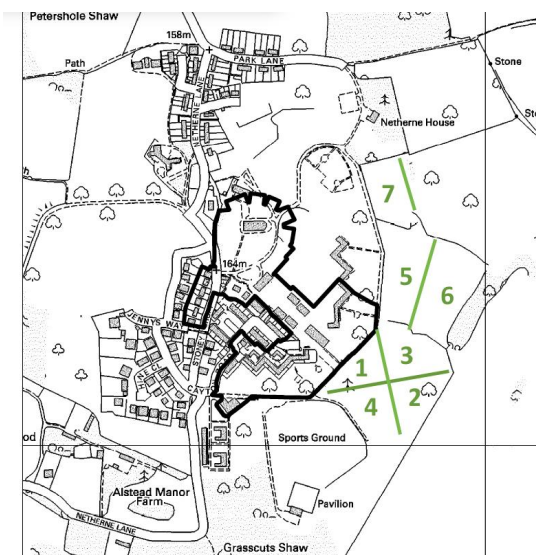


- Following recommendations from Surry Wildlife Trust in October 2022, we switched to a 3-year cut cycle for fields 1 – 7 (instead of a 2 year cycle).

Year 1 - August (full cut)

Year 2 - No cut

Year 3 - Two cuts



- Concerns around litter at the Village Shop have been raised with the shop's owner, and we've seen some improvements in the general tidiness around the store. It should be noted that the shop is not a tenant of NML and therefore we have no direct powers or influence over how he operates the business, we can only seek to share issues of concern and to provide constructive feedback.
- New CCTV cameras have been added to the shop's system, giving authorities additional coverage of the parking area for investigation purposes.

Pavilion

- The Pavilion Café continued into its sixth year of operation. Due to the availability of volunteers and directors, there were only limited Friday openings during 2023, but Friday openings have recommenced in early 2024.
- New wall mounted and free-standing fans were added to help with ventilation during summer months.
- The Pavilion remains a popular venue for groups to meet, including the Netherne Classics Group, which meets up most Mondays for mid-morning coffee. We're pleased that this group has continued to be a success and want to thank Marie Robertson in particular, for her efforts in setting up and sustaining this initiative.
- Salfords Cricket Club once again came back to Netherne, hiring the pitch and Pavilion for weekend and mid-week games throughout the season.