

Netherne Management Limited



PLEASE NOTE OUR NEW WEBSITE ADDRESS WWW.NMANLTD.COM

To: All Members, Netherne on the Hill

October 2016

This is Netherne Management Limited's third update for 2016, and follows the mid year update that we issued in July.

We send out all of our communications by email (from NMLupdates@gmail.com), to any member who has asked to be included on our email distribution list. Emails will only be sent by blind courtesy copy to all recipients. If you would like to be added to our email distribution list, please complete your details by typing the following link in your internet browser:

<https://www.surveymonkey.com/r/NMLEmails>

Please also note that we have had to change the domain address of our website. The new domain name is www.nmanltd.com

Finances, debt and service charges

- Our finances remain healthy, with our reserves able to withstand 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 met from budgeted service charge income. Examples of the projects that are or have been financed from our reserves this year are the flooring works to the village hall, the poolside columns, the pathways to the leisure centre and an upgrade to the village hall CCTV system. We also have, as ongoing works, improving the hard standing areas outside the village hall, refurbishment of the cricket pavilion, the lighting on the Hooley footpath and an upgrade to the weights area. In total, the total cost of these various projects will be around £70,000; if we did not have reserves then it would have meant this year's service charges would have been some 20% higher.
- Our debt (amounts due from members who have not paid their service charges) remains under tight control. We remain on track to HALVE the amount of debt we started with at the start of 2016.
- There remain a handful of members who fail to pay their service charges on time. If you receive a reminder or a Letter Before Action (LBA) from SHW asking you to settle your account, please do not ignore it. This is an expensive mistake to make. If payments have not been made 7 days after the LBA we have no hesitation in referring to our solicitors for full debt recovery. This includes all legal costs incurred. Debtors also have their leisure centre memberships suspended until they have cleared their accounts.
- We urge all members to set up direct debits to pay their service charges, to avoid the risk of inadvertently forgetting to pay a service charge (and becoming a debtor in the process).
- We are in the middle of the 2017 service charge budget review. Insurance costs have risen again, and we also expect to pay much more to Reigate and Banstead Council for rates. This is because from 1 April 2017 all non domestic properties in England have been revalued for

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rating purposes. The rateable value of our properties has increased significantly, and whilst there are transitional arrangements to phase in large increases in rate liability we are still expecting to pay roughly double the amount paid in previous years. We are expecting to see further increases in our rates in future years once the transitional arrangements expire.

- As a result of these and other inflationary pressures, overall service charges for 2017 are expected to rise by about 2 to 3%.

Village Hall

- Work is underway to improve the hard standing areas outside the village hall. These works have uncovered a number of issues, including damp. We have engaged a specialist to investigate and advise on remedial action.
- The hall is being well utilised on most days. A new dancefit class has just started on Monday nights (hosted by a professional dancer!) A popular badminton club is underway on Thursday evenings (thanks to Lee Sheldon for organising that!). Thanks also to Lee and the Residents Association for organising a very well attended Casino Royale night on 15th October.
- In September, the hall was also the venue for a reunion of former Netherne hospital staff. Our thanks go to the wonderful bakers in the village, who helped to make the event extra special. A lovely letter of thanks was received from one of the attendees and a copy is attached to this newsletter.

Leisure Centre

- On the evening of 12th July, the plant room in the Leisure Centre suffered extensive flood damage, and the fire brigade had to attend. This was due to a failure of a coupling on the water inlet which resulted in the sump pump failing, hence the build up of water. This was a major incident, but thanks to the efforts of the Nuffield team, and numerous contractors who were called to attend to various works caused by this incident, the gym was able to reopen on 15th July. Much more work was required to get the pool re-opened, and this was achieved on 12th September. Fortunately, most of the works, costing around £30,000, will be covered by our insurances.
- We used the downtime with the pool to attend to a number of other repairs and improvements. We resolved the recurring issue of corrosion to the poolside columns (with a fibreglass solution, costing £9,000), the men's changing room door was replaced, the broken ceiling tile was fixed and we remedied a recurring damp/moisture damage to the pool side area.
- Further improvements to the leisure centre are underway, in particular a weights area upgrade has been authorised.

Hooley footpath

- Progress on this project has been disappointingly slow. It has suffered from a number of delays and set backs, including the inclement weather at the start of the project, vandalism and theft. The digger being used by the contractor was also subject to an arson attack, and his staff have been subjected to threats and intimidation. This is all under police investigation.

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- We assure you that we have been doing everything we can to try to get the contractor to complete the project as quickly as possible, but this has proved difficult for a number of reasons that we can't go into at this point. The latest update we have is that they expect to fit the lighting bollards in the week commencing 31st October. Thereafter, the light sensors can be connected, and we are in the queue for a meter being fitted by EDF.
- We appreciate the frustration that you (and we) feel regarding this project, and we appreciate the understanding that you and our fellow villagers have shown regarding it.

Estate

- Following an inspection of the cricket pavilion after handover from Netherne Cricket Club, we identified an extensive schedule of both interior and exterior works that need to be done. We have appointed a contractor to deal with these.
- We have considered a proposal to run a coffee shop in the pavilion. The proposer is considering this further and we hope that they decide to make a go of this, starting next year.
- As mentioned in our July newsletter, we have decided to proceed with a village wide consultation to bring consistency on the maximum number of dogs allowed to be walked at any one time by residents and commercial dog walkers alike, that is 4. We believe this will address the safety concerns many residents have about packs of 5 or more dogs being walked in the village. Please look out for the consultation form coming through your letter boxes soon.

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.

It is safe to say that the strike problems at Southern rail this year have been detrimental to the Netherne Bus, as our passenger numbers (and hence revenues) are down. As you know, we are looking to purchase a replacement bus in the next year or two, and we need to build up the Bus Company funds in order to be able to afford to do so. We are reluctantly having to consider another ticket price increase next year.

We do not often blow our own trumpet, but there is one story that we think is worthy of special mention. At 6.00am (!!) on 13th October Raj received a call to say the Netherne Bus would not start. The driver had set off to get a replacement bus but we did not know when a service would be able to start in the morning. Raj acted quickly, communicating this news via Facebook and Twitter so that passengers were aware, calling District Cars to try and sort a taxi service for our 6.36am passengers and then ferrying some passengers himself to the station so that they did not miss their 6.48am train. We think this goes way beyond our voluntary services as directors – well done Raj!

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NML Directors

We are sad to advise that Nikki will be standing down as a director at the end of the year, as she needs to spend more time working with an ever expanding and successful family business. We thank Nikki for all of her contributions to the Board. Her departure does open up a vacancy on the Board, for the right person. Being a director of NML is a very responsible, varied and time consuming role. However all Directors volunteer for the role of running the Company and making the village a better place to live, and we are not paid for the work we do.

If anyone is interested in joining the Board, please read the attached job description and then arrange to have a chat with one of us.

We hope you have found this to be an informative update. 2016 has been another busy year for NML, which can only be summarised in a short newsletter.

The Directors of Netherne Management Limited:

Steven Buczek Jo Robins Robert Murdoch Nikki Le Cluse Rajen Shah Lee Sheldon

Dear Rajen,

I wish to thank you so much for your wonderful hospitality and generosity at our Reunion on Wed. 7th Sept '16. The welcome you gave us - former Staff of Netherne Hosp far exceeded our expectations. The wonderful spread of all those magnificent cakes + pastas and drinks was such a lovely surprise - please say a big thank you to all the bakers from us. You and Angela made us so welcome.

Thank you for making our Reunion such a very special day - It was a real joy and pleasure.

Ann Power

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Job Description for the role of Director, Netherne Management Limited (NML)

NML is a Private Company Limited by Guarantee without Share Capital. Its sole objective is the management of the property belonging to NML at Netherne on the Hill. The property comprises extensive areas of land, a leisure centre, a village hall and a deconsecrated cemetery. In addition NML also owns a football pitch and clubhouse, a cricket pitch and the site of a telecommunications mast but these are let to 3rd parties who have exclusive use of these facilities.

An owner or member of NML is any person who owns either the entire freehold estate in a house or leasehold estate of a flat in Netherne on the Hill. Where two or more persons are an owner (either as joint tenants or as tenants in common) they together constitute one member. There are currently 414 members of NML.

Under NML's Articles of Association, Directors of NML have to be members of NML. That means a Director has to own one of the freehold or leasehold properties in Netherne on the Hill. To qualify to be a Director, it is also necessary to be up to date with ground rent and service charge payments, or have an agreed payment plan in place for the payment of any historic debts.

Currently the NML Board comprises six resident Directors, which is the maximum allowed under the Company's Articles of Association. Being a Director is a very responsible, varied and time consuming role. However, all Directors volunteer for the role of running the Company, and they are not paid for the work they do.

The following job description sets out the main responsibilities of the NML Directors. It covers both Netherne Management Limited and Netherne Community Bus Company Limited, as NML Directors have tended to be directors of both companies. It has been produced to help anyone who is considering becoming a Director to understand the main roles and duties, although it is not intended to be a comprehensive list.

The duties are shared between the NML Directors, depending on their skill set and time availability. It is hard to quantify a time commitment, which varies between the individual directors, but we estimate that anyone who gets involved with everything should budget to spend around 150 hours per year on NML duties.

Any member who wishes to join the NML Board should first apply to our managing agent, Michele Gallagher of Stiles Harold Williams, so that a meeting can be arranged. Michele's email address is mgallagher@shw.co.uk

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- Review of all papers prior to each Board meeting, including monthly management reports prepared by SHW and monthly reports prepared by Nuffield Leisure Centre staff.
- Attending monthly Board meetings, each of which is approximately two hours long.
- Preparing minutes of the Board meetings, and taking forward any actions arising.
- Quarterly review meetings with our managing agent (SHW).
- Quarterly review meetings with our Facilities Supervisor (Dave Brant).
- Meetings with contractors on specific projects.
- Ad hoc meetings with Surrey Police, to discuss village security issues.
- Meetings with other bodies who have an interest in Netherne, such as Reigate & Banstead Council or Guinness Trust, as and when necessary.
- Attendance at periodic meetings of the Residents' Association.
- Ad hoc meetings with individual members, to discuss specific issues.
- Preparation for, attendance and presenting at the NML AGM in March/April each year.
- Preparing minutes of the AGM, for publication on the NML website.
- Preparation of the Annual Directors Report, for distribution at / following each AGM.
- Production of quarterly NML newsletter, including circulation by email to those on NML's email distribution list.
- Other ad hoc communications with members as required.
- Management of the NML website.
- Joint signatories on NML's deposit accounts with Aldermore Bank, Bath Building Society and Shawbrook Bank, and ensuring savings balances are within Financial Services Compensation Scheme limits.
- Review of working papers produced by SHW for NML's annual accounts, resolving all queries and preparing draft accounts for independent sign off by our auditor.
- Review of and approval of service charge budget prepared by SHW. This is currently of the order of £365,000 p.a.
- Checking that members' service charge bills produced by SHW are correct.
- Debt management, including:
 - Preparation of monthly report analysing NML's debt position.
 - Monthly liaison with SHW and/or our legal advisors to agree appropriate courses of action for all debtors.
 - When necessary, representing NML in Court against individual debtors. There were two such cases in 2015.
- Dealing with all ongoing correspondence with SHW, usually by email. This usually involves taking decisions on non budgeted / irregular expenditure items that are met from NML's reserves. In both 2014 and 2015, the total approved non budgeted expenditure has exceeded £100,000 p.a.
- Where an individual project, such as the Children's Playground extension, would cost more than £15,000, calling an EGM to get members to vote on the proposal.
- Annual review of remuneration paid to NML's two ground staff.
- Making such rules and regulations as the Board considers necessary for the proper management of the Company.
- Miscellaneous other tasks as necessary, such as reviewing new lease documentation, considering proposals for the use of NML's facilities (the village hall, the leisure centre or NML land), etc.

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Netherne Community Bus Company Limited

- Collecting ticket money from the Village Shop and ensuring shop has adequate supply of tickets (weekly task).
- Weekly liaison with the bus drivers, in order to collect / recycle all used ticket stubs, empty the cash box, top up supply of vehicle inspection sheets and check if there are any vehicle issues that need to be addressed.
- Arranging ten weekly servicing / inspections of the Netherne Bus with our garage (Robe & Hitchens), any ad hoc repairs and an annual MOT Test.
- Banking of all ticket money in to the SHW Client Account (weekly task – approximately £650 per week).
- Monitoring of bus ticket sales and assets in a spreadsheet, and reviewing ticket prices with the goal of making sure the Bus can cover all of its operating costs.
- Monitoring the Netherne Bus email account and responding to any questions raised (from passengers and prospective new residents).
- Managing all communications with passengers, by email, twitter, facebook or posters.
- Conducting ad hoc surveys amongst our passenger base.
- Occasional meetings with users to discuss ideas for improvement.
- Periodic review of the bus timetable to ensure it continues to dovetail with changing rail timetables and passenger demand.
- Checking and authorising for payment all invoices raised by East Surrey Rural Transport (the company that employs our drivers, arranges the bus insurance and fuel card).
- Arranging vehicle tax with DVLA (annual renewal is in January).
- Renewal of our Community Bus permit, prior to its five year expiry in September 2021.
- Ensuring we have an adequate supply of bus ticket books at all times (approximately 2,000 books to be purchased from Threapleton Printers annually).
- Arranging quarterly cheque payments to the drivers for their smartphone allowances.
- Review of working papers produced by SHW for the Bus Company's annual accounts, and resolving all queries prior to passing to our auditors.
- Miscellaneous other tasks as necessary, such as liaison with other bus operators who wish to follow the Netherne Bus model for their communities.