

**Netherne Management Limited**  
Company Number: 04026814  
Registered Office: One Jubilee Street, Brighton, BN1 1GE

## Directors Report for the year ending 31 December 2017

### Summary

- Our financial position remains strong, with debt reaching very low levels. Instead of spending significant time managing debt, we have been able to focus our time and energies to managing various projects and initiatives.
- We incurred significant expenditure during 2017 to deal with various improvements, repairs and works; in particular the extensive damp problems in the Village Hall. These costs have led to a reduction in our reserves during 2017.
- Service charges for 2018 have had to increase marginally due to inflationary pressures.
- A number of improvements have been made to the Leisure Centre (including new gym equipment), and we also carried out a review of the membership records.
- The Hooley footpath lighting project was completed, including the addition of extra protection to the bollards to guard against vandalism.
- The refurbishment of the Cricket Pavilion is complete, with the Pavilion Cafe established.
- We had to employ overnight security patrols following a number of attempted garage break-ins during July.
- We are close to choosing a preferred CCTV provider.
- We replaced the Netherne Bus with a new (leased vehicle). We have also recruited a new morning driver.

Your Directors remain committed to managing our village properly in a cost effective manner. We expect that, just like every other year, 2018 will prove to be another busy year for the NML directors. Running NML is something that we do voluntarily and in our own time, because we want to make Netherne an even better place to live than it already is. We are human and not infallible, but we always have the good of the village at the centre of all our decisions.

During 2017 we started an NML member Facebook group as a further communication channel with our members. You can also stay in touch with us by signing up for our regular email updates. We are also looking to trial a walk in "director's surgery"; depending on the uptake we may look to hold these quarterly.

We hope to see as many members as possible at the forthcoming AGM on 25 April 2018.

The Directors of Netherne Management Limited:

Steven Buczek    Alex Rodell    Lee Ronan    Rajen Shah    Lee Sheldon    Gary Smith

18 April 2018

## Debtors

In previous years, we have had to spend a lot of time on our debt position (unpaid service charges). However, at the end of 2016, our debt had reached a very “manageable” level compared to the extraordinary levels in prior years, and was down to £15,000.

At the end of 2017, this figure had reduced further to £13,000, and is under close management and control.

Given the low level of debt, and in the interest of brevity, we do not propose to say much more on our debt position, other than imploring all members to please settle their accounts, however small, so that we do not have to continue to chase them for these sums. We also recommend that all members set up direct debit mandates to settle their ongoing service charges, so that the situation of inadvertently forgetting to pay on time does not arise.

Realistically, further inroads into our debt will only occur when some of our perennial debtors start to pay their service charges on time (or leave the village).

## Reserves position

During 2017, we incurred significant expenditure for various improvements, repairs and works (not covered by the service charge budget). This included refurbishment of the Cricket Pavilion, completion of the Hooley Footpath lighting project and the Village Hall damp works. The total major works expenditure for the year was £250,000, with over half of this being in respect of the hall damp works.

Such major works costs have been met from our reserves, which at the start of the year were £539,000. We have not had to ask members for increased service charges to meet these costs. The major works expenditure has led to a reduction in our reserves, but this has been partially offset by the non-service charge income that we receive, such as exit fees, interest and the telephone mast rent.

For reference, the main sources of **non service charge income** in 2017 were as follows:

▪ Exit Fees	£32,000
▪ Annual Estate Rent charges	£11,000
▪ Leisure Centre memberships	£11,000
▪ Village hall, pavilion and pool hire	£10,000
▪ Telephone mast rent	£9,000
▪ Interest	£4,000

As a result of the major works costs in 2017, and non service charge income streams, our reserves declined by £184,000 during the year.

Our reserves position is still relatively healthy, but clearly not as healthy as it was at the start of the year. We need reserves to be able to deal with unexpected (non-recurring) expenditure as and when it arises, as has been the case in recent years. We note the progression of our reserves in recent years has been downwards and in the short term we expect this to continue, especially if we get member approval to implement a CCTV system in the village.

## Service charges

Members have seen an average service charge increase for 2018 of 3.5%.

The main reasons for this were inflationary pressures on a number of fronts (including our insurance costs), plus the inclusion of a small provision for random security patrols in 2018. We also found that the provision for general repair costs to our buildings (which are old) needed to be increased to a more realistic level, reflecting the higher costs we have seen in recent years.

## Village Hall

In 2016, work began to improve the hard standing areas outside the village hall. However, these works uncovered a number of issues, including significant damp. Many of the problems stemmed from the ground

levels outside the hall having been raised too high by Gleesons. We engaged a specialist company, Donald Insall, to advise on remedial actions. Following further investigation it became clear that there was no quick fix to the problems with multiple issues afflicting the building. We also recognised that putting all the problems right was going to be the biggest project NML have ever had to deal with, both in terms of time and cost.

After below ground surveys were undertaken and a new drainage design produced, Donald Insall specified the required works, which included:

- Lowering of the ground levels by 2 brick courses
- A new below ground drainage system
- Installation of new gutters and downpipes
- Brickwork repairs
- Stonework repairs
- Making good of road surfaces and reinstatement of pathways
- Final landscaping

A tender exercise was then conducted, with schedules of the required works and specifications issued to four contractors at the end of June. Three contractors responded to the tender, and as expected all three quotes were in excess of £150,000. Our preferred contractor, which had submitted the lowest tender, was a company called Stone Edge, specialising in historic building restoration. After an interview, Stone Edge satisfied us of their capabilities and we appointed them for the Netherne Village Hall works.

The works began on 25<sup>th</sup> September 2017 and were completed prior to Christmas without any major glitches. The final landscaping part of the project is due to start in April 2018.

In relation to the cost of the works, we explored all avenues for trying to meet it, including from insurances or from Gleesons. We also approached the Heritage Lottery Fund. We drew a blank with all of these potential avenues and so the cost was met from NML reserves. Please note that as the cost was met from existing NML reserves it had no impact on service charges.

### **Leisure Centre**

Issues with the turnstile, water fountain, leaky showers and hairdryers were resolved over the course of the year. A new swimming pool lane rope has been installed, as has a new pool cover. We also carried out a full review of all the gym equipment to see what needed to be replaced. New equipment was ordered and arrived at the start of 2018.

We also reviewed the current list of members of the Leisure Centre, and identified a number of issues that needed to be resolved. The issues included membership cards in existence for people who have moved out of the village, or who are not paying a service charge to NML that includes a contribution to the Leisure Centre costs. (Residents in the village who do not pay the appropriate service charges to NML can still be members of the Leisure Centre, provided they pay monthly membership fees).

To resolve these issues, from 1<sup>st</sup> December 2017, we deactivated a number of membership cards.

The Nuffield team had some staff turnover during the year, with both Ciaran Murray and his initial replacement Jason Beller moving on to Whitgift. The current team is led by Travis Tarrant, and supported by Susan Boros, Shaun Cooke and Jamie Wolstencroft. The classes run by the Nuffield team remain a popular choice for users. Two of the classes (on Monday and Thursday evening) are now held in the village hall.

### **Hooley footpath**

The footpath lighting project finally came to fruition in April 2017. We are sure everyone was delighted to see the pathway up from Netherne Drive illuminated, after such a long and tortuous process for all concerned. We were very glad to find an excellent contractor to take on and complete the works.

Unfortunately, not long after the completion of the top section of the path, three of the lighting bollards were vandalised by youths. This was preceded by some paint being thrown over several bollards a few days before. The damage to the three bollards was considerable and we had to turn off the power to the top section to ensure there was no danger to anyone.

Over the summer we worked with the contractor who installed the footpath lighting, to find a way to better protect the lighting bollards which are situated on the top part of the footpath. A solution was found and the work was completed in October.

## **Estate**

At the start to the footpath (on Netherne Drive) we installed another wooden fence (similar to those that already sit on the way up Netherne Drive) to help prevent unauthorised people accessing our land.

New waste bins have been added around the village green, and the damaged bin for dogs mess has now been replaced on the path near the cricket pitch.

## **Cricket pavilion**

The Cricket pavilion went through a major refurbishment during 2017. This included new flooring, a new hand-wash basin and hot water supply added in the main kitchen area, new fridges and a dishwasher. Improved LED lighting has also been installed along with insulation and better heating. Outside, we have a new patio area.

The Board is very pleased that a team of volunteers has been able to start a community coffee shop in the pavilion. This has been very popular, and the Pavilion Cafe is now opening on Fridays and Saturdays.

Franklin Lewin will be using Netherne as their home venue again on Sundays for friendly cricket matches.

The pavilion is also used by a chess and table tennis club (on Wednesday evenings) and a yoga group (on Tuesdays). The pavilion is also available for private hire by residents and this can be arranged by contacting Laura Ritchie at SHW on 0207-389-1514 or [lritchie@shw.co.uk](mailto:lritchie@shw.co.uk)

## **A moment in Netherne's history.**

We record here the fact that two special ceremonies took place in Netherne on 18 November 2017.

The first was the grand opening of the Netherne Pavilion Café, with Deputy Mayor Frank Kelly giving a speech and cutting the ribbon. There was a fantastic turnout, with local councilors Keith Foreman and Bob Gardner joined by many residents to mark the occasion.

After a break for tea and cake, we turned to the ceremony for the Netherne Time Capsule. The idea for the time capsule came from George Frogley, former manager at Netherne Hospital. As well as items from Netherne's past (when it was a hospital) the Time Capsule also contains items from the present day. It was great to have George and a number of other former staff attend this historic event, along with residents who have the pleasure of living in present day Netherne.

The Time Capsule was carried in a procession from the pavilion to the Netherne Village hall by the winners of our picture and poetry competitions – Scarlett Gabriah and Kiara Kaspersen. Keith Foreman gave a speech and unveiled the plaque before the Time Capsule was buried. Not to be opened again until April 2109 – which will be the bicentenary of the opening of Netherne Hospital!

## **Estate Security and CCTV project**

Members will be aware that in July 2017 the village suffered from a number of garage break-ins. NML were quick to act and hired a company to conduct overnight security patrols. This was not budgeted expenditure for 2017, but had a very positive effect on the village in terms of reduction in crime, reduction in anti-social behaviour, and improved community confidence.

NML also deployed the services of private security patrols over the Halloween/Guy Fawkes period. During this time, this visible deterrent proved effective; there were very few reports of anti-social behaviour, no crimes were reported, members of our community felt reassured and engaged positively with the private security patrols, some valuable intelligence relating to perceived drug dealing was passed to the police and

some general security advice was fed back to NML about security arrangements of contractors working within Netherne (in and around Anthony House/Village Hall). Overall it was a worthwhile deployment.

For the 2018 budget, we have made a small provision for random overnight security patrols, as we believe they will continue to help keep crime and anti-social behaviour at bay.

CCTV has been a complex and demanding project and has taken much time to progress to the current stage. Out of nine different companies who were approached to provide a service, three were invited to an interview and selection exercise. This was followed by a site visit to installations that each company had been involved with.

As at the date of this report, we are deliberating between two companies who we consider to be viable providers of a system. We will provide more details at the AGM on 25 April 2018; our expectation is that once we have had all our questions answered by the two companies still in the running, including final costs and timescales, we will call an Extraordinary General Meeting of Members to discuss and vote on a proposal to install a CCTV system in Netherne.

### **Netherne Community Bus Company**

The Bus Company is a separate company from NML, but has the same Board of Directors. The Netherne Bus began operations in April 2012, offering a peak time service to and from Coulsdon South station. The only funding for the Netherne Bus is fare income; in particular it does not form part of the NML service charges. This means that we have to try and cover the operating costs of the Bus from ticket sales, to avoid eroding the Bus Company assets.

2017/18 has been a year of change for the Netherne Bus. Firstly we took the decision to replace our old bus as maintenance costs had become uneconomic. Our new bus, which is on a lease with Enterprise, arrived in January 2018.

We also had to recruit a new driver, after our morning driver Phil Hunter announced he would be leaving the local area. We are very pleased that a Netherne resident, Claire Foard, has taken on the job of driving the bus in the mornings, starting from April 2018.

After reviewing our income and expenditure, we took the decision to increase ticket prices again from March 2018. We know that increased ticket prices is never "good news" but with increased costs and in order to continue operating the service for years to come we could not keep prices as they were. A book of ten adult tickets now costs £20 and a book of child tickets costs £10. We would like to stabilise prices at these levels, and give some certainty to passengers about their future travel costs. We have therefore committed to a two year price freeze on ticket prices until 2020, when they will next be reviewed.