

PLOT-OWNERS' HALF-YEARLY GENERAL MEETING
2ND NOVEMBER 2016

CHAIRMAN'S STATEMENT

Plot-owners are invited to review the Estate's financial forecast for year ending 30th November 2016 and the financial plan for the three following years. The forecasts will be available at the meeting on November 2nd as hard copies.

For the purpose of clarity I have rounded numbers up or down to the nearest thousand (£1,000 = £1k).

Financial Overview

First I would like to bring you up to date with the status of the financial issues we have with the London Borough of Camden (LB Camden). For the benefit of new Plot-owners, the issues arose because four years ago LB Camden unilaterally changed the payment formula that had been used for the previous 34 years to calculate their share of costs of maintenance of the Estate's Common Parts. In doing so they reduced their contribution to the 2011/2012 costs of maintenance of the Common Parts of the Estate and this resulted in a reduced contribution of £34,000 for that year.

Income

Since then LB Camden has contributed 46% of Estate maintenance costs and has settled all invoices presented to them by HLEC for their share of the costs. The next invoice for their 2016/2017 contribution to EMF will be dispatched to Camden in December.

How much, whether and when Camden pay our invoices in the future is the Estate's biggest single financial uncertainty and will remain so until a new long term payment formula is agreed.

Unbudgeted contractors' licence income was £55K. We anticipate minimal income from contractors in 2016/2017 as refurbishment of the flats is due to be completed in Q1 2017.

Due to the strength of the Estate's cash position and prudent management of costs, the Committee proposes to reduce EMF from £650pa to £600pa starting in 2016/2017. A late-payment charge of £25 will be introduced should EMF payment not be received within 30 days (£50 for twice yearly late payers). This means that having held EMF stable at £650pa for the last three years, the EMF annual charge to plot-owners who pay on time will be reduced by £50pa to £600pa.

Expenditure and Balance Sheet

Estate finances continue to be prudently managed. The Committee believes the Estate to be fully funded to undertake its planned maintenance programme and it has also accumulated sufficient contingency funds to draw on in the event of unforeseen costs arising.

At the time of writing the Estate is undertaking necessary maintenance involving resurfacing of some footpaths, maintaining the park and ornamental gardens, resolving drainage problems on some verges and replacing trees. Replacement trees will be planted on six sites during the winter.

2015/16 Forecast Variances

Overall HLEC invested £288k in maintaining the Estate. In total this is about £25k less than forecast as we spent less on small projects and asset purchases, this was partially offset by higher

expenditure on the resurfacing works.

- Major projects including resurfacing of paths and improving drainage will be £70k, £10k more than forecast.
- Legal and professional fees were £6k less than forecast.
- Asset purchases were £5k less than forecast.
- Small projects are forecast to be £13k less than forecast.
- Manager's fees are £4k higher than forecast due to the greater amount of time spent in bringing the Estate's procedures up to date and to comply with legal obligations, as well as time involved in chasing slow payers.
- Other smaller items make up the balance.

Estate Security

Historically security of the Estate has been a matter for the police, local authorities and plot-owners. However the profile of this topic has been raised in particular by residents of Holly Lodge Gardens, the top of Hillway and Langbourne Avenue.

HLEC has supported initiatives by plot-owners and the police to address plot-owners' concerns, including keeping up to date statistics of criminal activity on the Estate and communicating with residents through the medium of newsletters and by directly talking to the police.

As part of that support HLEC commissioned a report on the Estate's security from an independent consultant who is studying with the Jill Dando Institute of Security and Crime Science. The Committee should receive that report in November or December.

Overall

The Estate has visibly benefited from new and upgraded plantings and as a result it remains one of the most attractive places to live in London.

Thanks go to our foreman, Gerry, and his team who have done an excellent job maintaining the Estate.

I am delighted to inform you that we have made an offer of employment, subject to receiving satisfactory references, to Dean Ullah as an Estate General Maintenance Operative and permanent member of Gerry's team. Dean is well known to many residents of the Estate having worked here over the last year as a temporary gardener.

Also I'd like to mention how much we rely on and appreciate the excellent work of Barbara our Estate Manager and Daniel our Accountant.

And of course I'd like to express my sincere thanks to my fellow Committee members whose wisdom, intelligence, expertise and hard work are invaluable to the Estate's strategic development and smooth running.

Peter Wesley
Chairman
Holly Lodge Estate Committee.
14th October 2016