

HOLLY LODGE ESTATE - CHAIR'S STATEMENT
PLOT-OWNERS' HALF-YEARLY GENERAL MEETING 15TH NOVEMBER 2017

FINANCES

Plot-owners are invited to review the Estate's financial forecast for the year ending 30th November 2017 and the financial plan for the five following years. The forecasts will be available at the meeting on November 15th as hard copies.

I would first like to update you on the status of our relationship with the London Borough of Camden (LB Camden). For the benefit of new plot-owners, an issue arose five years ago when LB Camden unilaterally changed the payment formula that had been used for the previous 34 years to calculate their share of the costs of maintenance of the "Common-Parts" of the Estate. Since then LB Camden has contributed 46% of the cost of maintaining the Common Parts of the Estate. The change in the formula means that LB Camden now pay a share of actual expenditure, rather than a percentage of Estate income as they were doing up to five years ago. Our financial forecasts assume that LB Camden will continue to pay their share of the costs for maintaining the common parts per the formula introduced 5 years ago. So far, these arrangements have run smoothly.

Costs of roads maintenance have been better than envisaged in the 2016/17 budget due to a mild winter which led to Estate roads remaining longer in good condition. Additionally, resurfacing costs have been successfully renegotiated with our contractor. Therefore, funds set aside for future maintenance are better than we anticipated.

I will point out some highlights of the Estate's position and our Treasurer and our Estate Accountant will be available to provide a more in-depth commentary should it be needed. For the purposes of clarity, I have rounded numbers up or down to the nearest thousand pounds (£1,000 =£1k).

OVERALL

The Estate is well positioned to maintain and restore the Common Parts. Finances are strong, and we have an excellent team of employees, officers and Committee working together to care for the Estate's fabric.

HIGHLIGHTS – INCOME

1. As referred to above in 2016/17 LB Camden contributed £150k towards the EMF fund for their share of the costs of maintenance of the Estate.
2. EMF contributions from Plot-owners were strong at £154k, and total income from all sources is projected to be £354k at year-end.
3. Total income from garages, contractor's licences and other sundry income is projected to be £45k. This includes income from Contractors' licences of £25k more than we had budgeted.

HIGHLIGHTS – EXPENDITURE

1. In spite of the year being exceptionally busy the Estate Secretarial and Accounting services were £7k less than budget.
2. Estate maintenance and repairs of £5k were £10k less than budget.
3. We forecast that the Estate will spend £47k resurfacing worn paths and road surfaces which is £13k less than budget. This is largely due to the mild winter of 2016/17 and an excellent negotiation with our roads surfacing contractor that brought down the cost of resurfacing roads and paths materially.
4. In October we invested £5k in a ride-on mower that has already demonstrated that it can significantly reduce the time it takes to mow the parks and verges as well as clear leaves. Asset purchases for yearend are projected to show an underspend of £8k.
5. However, the Portacabin that has served as an office for the Estate and a staff room for many years now urgently requires replacement; we anticipate that this expense will occur in the coming financial year.

Overall the Committee will have spent £285 excluding tax by year ending 30 November 2017 vs £297k last year. Cash balances are forecasted to be £621k at year end 2016/17 compared with £556k at year end 2015/16.

PROPOSED ESTATE MAINTENANCE FUND 2017/18

Due to the strength of the Estate's balance sheet and its continuing prudent management, the Committee believes the Estate to be adequately funded to undertake its planned maintenance and restoration programmes whilst retaining sufficient funds for contingencies.

The Committee therefore proposes to hold the Estate Maintenance Fund (EMF) at £600 PA for 2017/18. A late payment charge of £25 will again be levied should EMF payment not be received within 30 days. This means that EMF charges will either have been reduced or held flat for each of the last four years.

SECURITY

The Committee devoted a great deal of time exploring the issue of security and has instigated various measures, some as a result of recommendations from the Holly Lodge Estate Security Report commissioned in September 2016, to complement the actions taken by individual Plot-owners. We have welcomed and supported the establishment of the network of Neighbourhood Watches and the widespread use of SmartWater.

The number of incidents reported on the Estate during the first nine months of 2017 is significantly fewer than those in the Highgate ward surrounding the Estate for the same period, but we must not become complacent and we will continue to monitor the Estate's crime statistics.

There is one issue which is particularly difficult.

A group of residents arranged for the deployment of security patrols on the Estate without the consent of the Trustees of the "Common Parts" of the Estate or the Estate Management Committee. We have debated this action at great length.

The Committee is very conscious that many residents of the Estate strongly oppose security patrols and that they feel they profoundly damages the nature and character of the Estate. We, the Committee, feel strongly that the establishment of regular patrols is disproportionate, unnecessary and not cost-effective.

OPERATIONS

Our beautiful stock of trees continues to be cared for and monitored, but unfortunately during our recent audit it was agreed that the old beech in the Lower Park will have to come down as it is diseased.

The general fabric of the Estate continues to be enhanced with the main project being the refurbishment of some of the footpaths. Following the completion of works on the Makepeace Mansion block, the grass verges have been retained and planted as have the verges in Langbourne Mansions following the footpath works there. The kerbs in the short-term parking area at the bottom of Hillway have been extended to enable people to get out of their cars without getting muddy feet.

FINALLY, I would like to express my sincere thanks to Gerry, Sean, Dean and Steven for their continued vision and hard work, to Barbara and Daniel for running our office so efficiently, and to all my colleagues on the Committee for their wisdom and dedication.

Peter Wesley,
Chair, Holly Lodge Estate Committee. 19/10/2017.