



Nether Edge Management Company Limited

AGM 2019

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Directors' Report 2018/2019

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We see this period as an opportunity for transparency in the operation of NEMC

The AGM in September 2018 was very well attended and after some explanation the Service Charge accounts, and the Statutory accounts of NEMC Ltd for 2017 were duly adopted.

As the formal part of the AGM was brief an opportunity was taken for shareholders to informally raise and seek clarification on several issues. These included the operation of the Leisure Centre and the renewal of the gym as well as there being insufficient response to the survey suggesting that the gate opening policy be changed such that the current arrangements would continue.

We have tried to bring transparency to the process of the **calculation of service charges** by including an explanatory note on the residents area of the website

Service charges had to be increased this year after a period of below inflation increase so ensuring that we have a sound basis for both planned and unplanned expenditures for 2019 and subsequent years. We are in the process of commissioning a site survey to determine the longer term maintenance issues so as help set reserves at an appropriate level.

The renewal of the CCTV system after the problems arising from a power surge was partly covered by the insurance claim. On the Website we now have a CCTV Policy setting out the purpose and use of the system and its conformity with data protection requirements.

We have taken up membership of the **Housing Ombudsman** after the previous Ombudsman ceased operation. Details of the Housing Ombudsman and the revised Complaints Procedure are to be found on the resident's area of the website.

During 2019 the **gym equipment** is being updated and there will be further consultation on what changes can be done to make it accessible to the widest number of residents.



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The Board has started to review **areas of high expenditure**. Looking at the high energy consumption of the Leisure Suite consideration is being given to overnight covers for the pool and jacuzzi to reduce energy losses due to evaporation.

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It has come to the Board's notice that the cost of repairs and electricity use of the 27 **freestanding garages** belonging to houses without an integral garage has, to date, been born by the Estate as a whole, i.e. by all 187 dwelling holders, rather than individual garage owners. While this has not been a particular issue in the past, with the increase in popularity of electric vehicles, and as the garages age and require more maintenance and repair, there will be an increasing liability. The Board believes that these costs should be borne by the owners who have sole use of the garages and are sole users of the electricity consumed therein.

Because the Estate is contractually obliged to maintain the garages (other than the doors), but not specifically to cover the costs, the Board proposes to set up a **'Garages' account** that would work in the same way as a residential block account. All garage owners would contribute to a Reserve which would be used to cover the costs of repairs and maintenance in the future. Garages would be independently metered. This proposal is subject to appropriate legal checks and consultation with shareholders.

The most successful social event was the **Site Heritage Tour** which took place in October 2018. Some 36 people of all ages from across the Estate came to hear Nick Waite give the historical background to the development of the Workhouse, how it changed over the years and eventually become a major hospital in Sheffield.

We would like to be able to announce other social events in the coming year. The Board invites residents wishing to organize new social events to come forward.

Hopefully 2019 will continue to be a period of consolidation, given all the enthusiasm, energy and goodwill on both the Board and Management Teams of NEMC, and of course amongst our external professional advisers.

We welcome onto the Board our newish directors: Sandra, Susan and Julie. And our thanks to Jim and Brendan for the time they were on the Board making a valuable contribution.



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We greatly appreciate our present Staff team and hope that they enjoy working with us - a big thank you to Keith, Simon, Andy, Sam, Carolyn and Charlotte. You will find a separate report from our Facilities Manager, Tracey, which gives a good idea of the scope of her responsibilities carried out with great skill.

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We do need more Board Members. Being a Director is very rewarding but can at times be time-consuming and demanding, often reliant on a prompt response and availability to help progress a wide variety of issues that come to us for discussion, decision and approval. Above all we need your common-sense, and commitment, acting as an equal member of our team. While definitely not essential our skills base would be enhanced by any additional experience you may have in areas such as accountancy, legal, planning and administration.

Finally a thank you to all shareholders who have been supportive over the last year.

Our very best wishes

NEMC Board of Directors

Julie (Sandra) Bridge, Samantha Fearnough, Susan Goodlad , David Miles, Pauline Pasley, Peter Rosenberg and Julie Steers.



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EXPLANATORY NOTES

TO THE 2018 SERVICE CHARGE ACCOUNTS

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GENERAL

Total Expenditure was £287,089 (up £3,307 from 2017), which is a very similar increase to the previous year.

The overall deficit of Income against Expenditure was £16,863 (a decrease of £12,517 from 2016 which had seen an increase of £25,047 from 2016).

Overall net assets have increased by 5.7%, represented by a £20,111 increase in overall reserve fund balances. However, the reserves for Estate/Communal Management have decreased so a transfer from the transfer fee fund may be required next year to cover further capital expenditure on the estate.

Reductions in overall expenditure on Estate/Communal Management and Leisure Suite may be attributable to some non-recurring expenditure in 2017 as well as management's efforts to reduce overheads. The extent of any savings should become evident in subsequent years.

Service Charge Income increased by 1.2% over the previous year.

Cash at bank and in hand has increased from £271,284 to £329,791.

ESTATE, COMMUNAL MANAGEMENT & ADMINISTRATION

Overall expenditure has decreased by £5,842 from the previous year, resulting in a smaller deficit than in 2017. However, it was £3,760 over budget, reflecting some unexpectedly high costs.



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In particular, the cost of repair and maintenance of the gates was high because new, stronger rams were installed with the aim of reducing the frequency of breakdown. Staff pay has also increased so that all staff are now on at least the Real Living Wage, and Bookkeeping costs have been high as we endeavour to bring the accounts up to date.

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LEISURE SUITE

Overall expenditure has decreased by £5,900 from the previous year, but was £1,067 over budget. This was largely due to essential Pool Maintenance and Repairs, although this has been partly offset by savings in other areas.

£7,500 has been transferred from the transfer fee fund to the Leisure Suite to cover the deficit on reserves.

It is likely that the Calorex fresh air dehumidification and ventilation system will need replacing in the next couple of years but, while this will be a major expenditure, because of greater efficiency, it should reduce energy consumption.

THE BLOCKS

The reserve fund transfers for each block have been maintained at the same level as the previous year.

LOOKING FORWARD

A *Site Survey* of the estate is being commissioned to support the provision of a pattern of planned and preventative maintenance and identify longer-term issues such as roof replacement and road resurfacing.

It will inform the setting of contributions to Service Charges (which have not been changed for some time) to ensure a reasonable level of reserves to cover medium to long term expenditure for individual blocks and the estate as a whole, to ensure financial sustainability into the future. The survey will be updated periodically.

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FACILITIES REPORT FOR THE YEAR 2018 FOR THE PERIOD JANUARY 2018-DECEMBER 2018

1. HEALTH & SAFETY

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Fire - All outstanding actions flagged by the Fire Risk assessment were completed. South Yorkshire Fire completed an inspection of all communal buildings on Friday 18th May 2018. SYF Report sent to the Board. New fire compliance contractor – ASSURED were brought in following various quotes from other contractors to maintain the fire panels, fire extinguishers and detection equipment. Kingswood apartment smoke detector/fire panel test took place December 6th 8-9.30am – all residents agreed to be home or provide access via a neighbour. All compliant except 1 – as unable to test one apartment on the day, this will be tested in June 2019.

2 MAINTENANCE

LED lighting upgrade – Muxlow, Kingswood, Alexandra, Edward, Victoria, Peveril and Sheaf 3 all completed. Work order placed late 2018 with IMS access to change all streetlamps with LED bulbs (work scheduled for Dec /Jan 2019).

Roofing

Victoria Tower and Peveril roofing repairs to flat sections of roofing. Sheaf 2 A & B Canopies re-roofed with fibreglass. Rotten roof soffit outside 11 OM Sheaf 1 replaced. Muxlow chimney repaired – mortar and slates replaced. Kingswood chimney repaired (above 16 UD) – mortar and slates replaced.

Steps

Sheaf 1 steps - Board approved work to Sheaf 1 steps as the membrane under the steps was holding water, the stairs were very slippery in winter due to ice forming and the water had also penetrated the ceiling of the Sheaf meter room cupboard and pool fire exit porchway. This was a longstanding issue.

Gates

January 2018 – a tenant crashed into the Osborne Mews gate causing extensive damage to both rams, hinges etc. Our broker and insurer finally tracked down the car driver's insurance company and they paid retrospectively for the cost of repairs, which were £2k plus VAT.



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Victoria Gate – Full gate overhaul took place, new rams, hinges and underground cables replaced.

Leaseholders were asked their opinion on a trial of gates being open during daytime hours in an attempt to reduce wear and tear/ maintenance costs. Status quo maintained as there was not enough support for the trial.

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Intercoms

Peeveril and Kingswood residents were experiencing screeching noises when handsets were picked up. Parts have been ordered for Sheaf 2A & Sheaf 3A – had new key pads as various numbers were sticking. 45/47 Alexandra Gardens Apartment the intercom unit was replaced.

CCTV

CCTV – The whole system went down. Quotes obtained and replacement of all cabling and replacement of all cameras for HD carried out in December 2018 – cost covered by insurance.

Contractors

A new intercom contractor (**CRC**) – resolved all the longstanding issues with intercoms and other repairs. **G-Sec Ltd (Sheffield)** are now the Keyholder for out of hours alarm activations, 365 days a year. Contract cleaners for communal areas reviewed including survey of residents. New contractor appointed December 2018.

3.WEBSITE & NEWSLETTER

The website was redesigned. All residents and owners were sent new logins and passwords. An e newsletter was launched in 2018 and a minimum of 4 a year are sent to all tenants and owners.

4.EVENTS

A successful heritage tour of the site ran in October 2018, with over 30 residents and family members taking part. The event tour guide was Nick Waite of Alexandra Gardens and longstanding member of the local Nether Edge History group and resident on site. A Christmas raffle was held, prizes donated by management and Board members. £245 was raised for the Sheffield Children's Hospital Charity.