

## **Statement from the Board June 2023**

Good evening.

I would like to start by focusing on the main issue that the Board is facing which is a significant increase in costs. You will see a revised set of accounts that are available to you, that have some corrections in following the Boards detailed review.

Whilst the Board receives a financial update at each of its Board meetings there is some lag, due to the current process, until the full extent of costs is understood. For example, we have expected an increase in energy costs but the full extent, resulting in over doubling the costs, has only recently been fully understood.

We have also seen some large expenses for tree maintenance (which is a cost we have every three to five years) and additional grounds maintenance costs for watering, given the weather.

The net result is a shortfall in service charges of £38,700 in 2022. Whilst we can cover this, it means eating into reserves which we don't want to do. Worryingly we are also seeing a continuing upward trend in costs. I would accept criticism that we should have been on this matter sooner, however we are fully aware of the situation now and have in place changes that are taking place.

We have reviewed the accounting support arranged by Wallakers, we have a new lead accountant and will be monitoring their activities closely to particularly ensure the correct cost allocation and the preservation of reserves.

We are developing a better process with Wallakers to having more current management accounts which will be reviewed on a quarterly basis.

We are looking at the frequency and cadence of Board meetings to better align with the quarterly accounts.

We have arranged an additional Board meeting in July to review the half year expenditure against budget for 2023, with the intention to extend this to year end. We know this will identify areas of overspend and potentially an overall expected deficit which we intend to address.

Clearly there are some costs which are outside our control, and we must live with, but much we can control. We therefore have some tough decisions to make. I am sure like me you are proud of the standard of the grounds that still look as good as when I first moved in over twenty years ago. I would like to express our thanks to the Gardeners and caretaker for maintaining this standard. When the increasingly hot summers are considered, we need to water more which is labour intensive and costly. If we want to maintain these standards, then we need to accept the cost.

Given that Landforms contract was coming to an end this year and we had not seen an annual increase in their costs for over three years we completed a competitive tender. Various quotes were considered through quite lengthy discussions. After full

consideration it was decided that the contract remain with Landform who were competitive in their pricing, however it has meant an increase in costs over inflation.

We have tried to protect you from increases in the past by keeping them modest. However this is no longer possible. Whilst the Board needs to complete the full review of costs, we know that the net result is ultimately a step change in service charges which we will advise you of, along with the potential cutting back of some services.

The question we have for you is which would you prefer, the cutting back of services that may impact the overall look of the estate or accepting a step increase in service charges, to maintain current standards and rebuild reserves? I would welcome your thoughts when I have finished this statement.

On a more positive note, we regularly discuss events that bring our community together and will continue with the successful Christmas Carol get together. I would like to thank Lorraine Black who leads on these as well as other occasional events such as the successful Coronation tea.

During the year, the board has met seven times with good attendance and discussion from Board members. Both the Board and running of the estate is supported by Wallakers and on behalf of the board I would like to thank Robert Heald and his team for the support they continue to give.

The board is here to represent the interests of its shareholders and manage the roads, pavements and related infrastructure, as well as the communal gardens on the estate. We maintain a website ([www.st-james-park.co.uk](http://www.st-james-park.co.uk)), which includes the Estate Handbook and provides a great deal of other useful information. You can also contact Wallakers and the board through it.

The board is committed to maintaining the estate as one where we all want to live and to enable the community to enjoy the standard of living that was originally envisioned when the estate was built more than 20 years ago. This means ensuring that covenants applied to each property are adhered to.

The board is very supportive of any works which maintain and improve the appearance of the estate, but such works must be in line with the style of the estate and the covenants. You are therefore reminded that if you are having any works done which might change the external appearance of your property, you must discuss this with Wallakers. Robert Heald and his team are available and pleased to help and provide advice and will bring matters to the board promptly where approval is required.

At each board meeting, we review intended or recent works to ensure they fit the estates. Where we have questions Wallakers engage with owners. Where there is a flagrant breach we do take action to have the matter corrected. The Board also establishes standards for certain items, such as the location of car chargers for electric vehicles. You are reminded that the Board does not allow solar panels given the aesthetic impact to the overall appearance of the estate. Given Sky is now more web than satellite based, and more people have smart TVs we are working to have sky dishes removed where possible.

Other issues the board is challenged by are down to users of the estate. We recognise that some of the difficulties are created by visitors, but we also know some are sadly down to residents.

The first issue is that of car parking. As discussed at previous AGMs, the board has always held off introducing a ticketing system for illegal parking and this remains our position. However, we must regularly review this. Over the past year, we have continued to be challenged with vehicles being parked straddling pavements, on blind bends and blocking roadways for emergency vehicles.

This must stop and we can all contribute to this by ensuring that cars are parked in garages, on driveways (not lawns or grass verges) or in allocated parking spaces only.

We are very aware of the ULEZ restrictions that are coming in, and the potential impact of vehicles using the estate as it is on the edge of the charge. We will be monitoring this carefully.

We have some lovely green spaces which are for the use of all residents. For the safety and enjoyment of those using these spaces, we ask that dog owners keep their dogs on a lead and that any fouling is collected and appropriately disposed of.

We thank the caretaker and gardeners who step in when they see breaches and abhors the behaviour of some who are abusive when challenged. This behaviour is not acceptable. We therefore kindly remind owners of the rules and ask that you comply with them.

Finally, I would like to thank my fellow Directors who give their time voluntarily for their continued commitment to ensuring St James remains a place we all want to live.

In closing I wish to assure you that the Board takes its responsibility to ensure the financial integrity of the company seriously. We want to keep service charges at an acceptable level, but we must all appreciate that with significantly increasing costs there will need to be a step change in service charges, and a review of service levels.

Thank you

A handwritten signature in black ink, appearing to read 'R W Smith', with a long horizontal flourish extending to the right.

Robert W Smith  
Chair