

Lawton Hall Management Limited

Budget July 1, 2022 – June 30, 2023

(**Note:** this document refers to the Budget presented as Appendix 1)



Commentary on the Budget

Overview

We have an operating budget for regular maintenance of the Estate, and a reserve fund for large but infrequent expenditures for the *Estate communal areas*. We have two operating and reserve funds for two different *common parts* of The Hall, as well as separate funds for The Coach House, The Gardens, and The Stables.

Operating Budget for the Estate Communal Areas

By far the biggest part of your monthly fees goes to the Operating Account for the *Estate communal areas*. Appendix I shows the complete budget, but a few items account for about 80% of the total budget. These significant items are discussed below.

1 **Grounds Maintenance**

Grounds Maintenance is by far our biggest single budget item.

We are entering into the third year of a three year contract with Countrywide Grounds Maintenance. Fees for 2020-21 and 2021-22 were frozen at previous levels, with an agreed 4% rise in 2022-23. The budget for this area has been increased by 4% accordingly.

2 **Communal Electricity**

This is another significant budget item, but one over which we have limited control. The Estate has a fixed-rate electricity contract, which is coming to an end in September 2022. Electricity prices have already increased significantly, and are likely to continue to do so. Whilst it is not possible to accurately predict ongoing electricity costs, the budget for this area has been increased in anticipation of rising electricity costs. The budget for this area has been doubled accordingly.

3 **Day-to-Day Maintenance**

This reflects the need to repair items that have deteriorated over several years – such as sinking drains, uneven cobblestones, and damaged curbs.

4 **Tree Surgery & Woodland Maintenance**

Each year, we conduct two major inspections of the trees on the Estate, with our tree surgeons (currently Astra Tree Services Ltd). We undertake necessary work, on Astra's advice.

This is an unpredictable aspect of the budget, as the work required results from storm damage and disease of trees. Almost all of this work is subject to approval by the local authority due to the whole estate having a blanket Tree Preservation order, as do some individually identified trees. The timing of these approvals by the local authority can take several months.

5 **Accountant**

The accountancy fees for 2022-23 have increased by 5%, plus an additional fee for filing the Statutory Accounts.

6 **Insurance**

The budget for this item has been increased to take account of the cost of public liability insurance.

Reserve Fund for the *Estate Communal Areas*

Since the estate was established around 2003, work has been undertaken in a number of areas to repair, reinstate and on occasions improve elements of the estate's infrastructure. There will always be an ongoing requirement for finance to be expended in this way to support this expenditure, and also to ensure elements of the lease agreements such as the repainting cycles of some of the communal areas, specifically the Hall, Coach House and Stables, are fulfilled. Most of this work has been funded from reserve funds for the estate communal areas and some from the sinking funds accumulated for individual areas.

On occasions, essential repair and maintenance needs to be undertaken with regard to lighting, the entry gates, the roadway, the estate's plantings and trees. In general, this tends to be unplanned expenditure undertaken to resolve an issue such as fallen tree or a failed gate. This will always be the case, and the reserves are maintained at a level where normal wear and tear can be accommodated.

Over the past year, the majority of the street lighting around the estate has been converted to LED, which has been funded from the Estate reserves

During the next few months, the retaining fence at the junction of Liverpool Rd West and Lawton Hall Drive will be replaced.

No other major areas of expenditure have been identified at the moment but where any elements of rehabilitation are found to be required projects will be prioritised based on factors such as:

- The level of deterioration.
- Safety issues, both to people and the potential adverse impact on buildings.
- Aesthetics, and the adverse impact on both nearby residents and the entire estate.
- Equity, meaning all areas of the state receive an appropriate level of attention.

Operating Budgets for the *Common Parts*

All areas have seen a doubling in the budget for communal electricity.

Reserve Fund for the *Common Parts*

Periodically, there is a need for repairs and renewals to be made which cannot be anticipated. Contributions to the Reserve funds have been held at previous levels in order to ensure that there are sufficient funds to cover the cost of future remedial works.

Historic levels of reserves were insufficient for the cyclical painting of the exterior of the Hall. Additional contributions are to be raised, and held in ringfenced funds to ensure that sufficient funds are available when the painting is next due to be completed.

Impact on Monthly Charges

The Estate service charge has increased to account for increases in electricity, insurance costs and painting funds where relevant.

Concluding Comment

The Board strives to keep costs as low as reasonably practical, and we believe we all continue to receive good value for our monthly contributions.

The first payment for 2022 – 2023 will be due on the 1st July.

Steve Channon

Steve Channon
Chair - LHML