

KEMP TOWN ENCLOSURES LIMITED

Minutes of Twentieth Annual General Meeting of the Company held at the Brighton Steiner School, Roedean Road, Brighton Saturday November 22 2014 at 10.30 am

PRESENT : 40 Freehold houses we represented with an additional 16 leaseholders in attendance

Attendance list held at offices of Jonathan Rolls, 244 Eastern Road, Brighton, BN2 5T

The Chairman, Mark Harper, opened the meeting by welcoming a good attendance and introducing the Board. He stated that procedural matters would be dealt with first before getting on to other probably more time consuming business.

3. **APPROVAL OF MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING – NOVEMBER 30 2013** A query was raised on the £10,200 legal and other fees in last years' accounts. It was explained that these were Frankham's fees for the preparation of the tender documents. Michael Osborne expressed surprise that these were not separately accounted for as relating to a Capital project. David Morris proposed acceptance of the Minutes. This was seconded by Tricia Harwood.

4. **GARDENERS REPORT** Jeremy Mouldsdale went through his report. The biggest development was due to the loss of trees due to storms and Dutch Elm. The garden was not a good place for tall trees but shelter was needed. For the future he proposed to maintain the shelter belt at the south to keep hedges trimmed and fill gaps with smaller flowering trees as the larger ones fell or were removed. This would change the nature of the gardens in places but, overtime, would establish a garden with more variety of more suitable trees. Jeremy confirmed that he had asked to reduce his time to four days and that he needed the support of someone younger and fitter to assist with the heavy work. Michael Osborne congratulated him on, in particular, the Dell borders coming up from tunnel. Paul Phillips asked what type of trees were contemplated. Jeremy responded – Tamarisk, Holmer Oak and Sycamore as shelter trees but he looked forward to introducing Judas, Hawthorns, Crab Apples and Nettle Paws. Andrew Doig wondered whether the element of surprise near the tunnel would be re-established. Jeremy advised 'yes'. In the bare area big shrubs and small trees which would not grow above the shelter belt would be introduced. Anne Wroe queried as to the fate of the hedge on the southern railings. Jeremy replied that this was collapsing but once the front railings were installed and the existing railings made safe by the reduction of spikes and the removal of the worst ones the remainder would continue inside of the hedge near the new railings which would be reduced in width. Ideally, he would like to plant a new hedge but there was a risks that this would not grow and the old hedge was necessary to form the shelter belt. A question was raised as to the age of the existing hedge and it is, apparently, 21 years old. Jeremy thanked all the gardeners who had helped him during the year and the Voles.

5. **FINANCIAL STATEMENTS OF THE YEAR ENDED MARCH 31 2014**
Ian Clegg confirmed that these had been circulated and took the meeting through the accounts. He went through the income and thanked all donors. Income included the key change fees but dog fees were reduced. Only 35 dogs were registered although there

were many more than this in the gardens. Expenses were generally in line with budget. Wages were down and contractors replaced these at a higher cost. There were additional expenses on clearing rubbish and more than expected spent on fallen trees. The major item of £60,000 had been paid to Kemp Town Society and it was this that led to the £47,000 deficit without which the accounts would have shown a £12,500 surplus. The £60,000 was the agreed contribution towards the railings to facilitate the £100,000 donation. Ian Clegg stated that the Board aimed to keep the expenses in line with inflation and asked the meeting to note the considerable contribution to keep expenses down made by the Voles.

He reported that the year so far was running to budget and it was expected this position would continue. Michael Osborne interrupted and stated that the reserves were down and that he thought the Members should receive a full budget not just summary statistics. Mark Harper confirmed that there was a detailed annual budget and the Board monitored it closely. He continued that the accountant, Peter Chambers, had advised that accounts could not separate out capital and income expenditure, in particular, for the railings. The garden rate was set in line with the annual budget which has additional reserves and the Board budgets what it spends other than major items such as the southern railings. Ian Clegg confirmed that this year a contribution of £7,000 to reserves was anticipated. Michael Osborne said that £12,500 was being spent on the railings in the gardens rate and it was not clear what it has gone on. Mark Harper confirmed that specific projects such as the southern railings were dealt with separately from general maintenance. Ian Clegg confirmed the advice of the accountant was that this cannot be dealt with in any other manner.

Kevin Dilton-Hill interposed to suggest that the account on Page 11 of the circulated accounts should be expanded to keep Capital expenditure separate from general expenditure and what was happening on the railings funds. If there was a 'cobbles fund' this should be separated out too. Mark Harper agreed to take this up with Peter Chambers. It was requested that the budget be circulated for next year.

The accounts were approved subject to the proposed modifications for future years.

6. **ELECTION OF DIRECTORS** It was reported that Mark Eynon had resigned so did not require re-election. Ian Clegg had been co-opted and was now standing for election. He made the point that the Board was over stretched and help was needed especially with the Web-Site and Newsletter and asked for volunteers at the end of the meeting. Acceptance was proposed by Andrew Doig and seconded by Lucy Goss and passed/

7. **APPOINTMENT OF CHARTERED CERTIFIED ACCOUNTANT** It was proposed to appoint Peter Chambers of Chambers and Company, who previously audited the accounts as Company Accountants. The rules relating to audit had been changed and the requirements of an audit were now very much onerous and time-consuming than had been the case for small companies. Most small companies had elected to go with accountant's review rather than a full audit. The same checks would be carried out as now and the same sampling and over view taken. Kevin Dilton Hill proposed and Paul

Phillips seconded the appointment of Peter Chambers as accountant. There were some 3 or 4 members who would have preferred a full audit.

8. **AMENDMENT OF ARTICLES** Jill Sewell explained that the Articles required an audit and for the reasons given in the previous section this was no longer practical. After explaining the amendments Kevin Dilton-Hill proposed and Tricia Harwood seconded the amendment which was passed.

9. **INCREASE IN GARDEN RATE** It was proposed to increase this to £810 – a 5% rise. This included a budget of £7,500 towards painting and replacement of railings other than the southern railings during the year and would cover some of the items in the 5 year plan. Michael Osborne objected that, with inflation at 1.3%, the increase was too high and should be nearer the inflation rate. There was somewhat heated discussion as to the requirement for above inflation increases and the need, in particular, to increase the reserve. The Board stressed that there was no attempt to conceal where money had gone. Michael Osborne thought it should be made clearer.

Returning to the subject of the Southern Railings it was anticipated that expenses might not be more than budgeted. When CWO ceased work £24,000 was due on an invoice that had not yet been approved for payment by Frankhams in accordance with the contract. This was not paid and the current estimate for completion has come in at about the same figure as that originally estimated by CWO to complete. There could be a claim from the Receivers of CWO in respect of this invoice for £24,000 but extra expenses had been incurred in making the site safe and other transitional items so this could probably be defended but that could not be guaranteed.

Kevin Dilton-Hill said he would like to see some ‘best guess’ as to a 20 year plan on how much could be contributed each year to the railings and are we trying to accelerate it. Mark Harper said we would need a higher garden rate to increase reserves. Brian Horton said that in a 20 year plan, ignoring the Southern Railings the North Garden railings really all needed replacement. Mild steel rusts so they are painted every two years. As soon as the Southern Railings are finished the replacement of the North Gardens, in sections, would start. This would be good value in the long term as railings can be replaced in section. Brian Horton advised that once replaced two year painting would be unnecessary so in the long term it would save money. He felt that, as custodian of the gardens we should increase the garden rate to provide for the future. In past years the rates did not get increased even in line with inflation which has led to the current deterioration. Ann Longley thought that the increase in House rates might not be enough to provide for the future. The garden rate is a matter for the Board to set but the Board listens to the Members

10. **SOUTHERN RAILINGS REPORT** CWO, the initial contractors, had become insolvent during the year despite credit checks and Frankham’s advice on their engagement. The Board had taken steps to secure the remaining stone and set up a revised tender estimate for the rest of the year. This would be discussed later.

The Bankruptcy and the need for new stone had delayed matters but it was anticipated the work would be finished in the next 2/3 weeks. The stainless steel bosses were to prevent skate boarders but could be removed once the railings are installed.

£105,000 had been spent to the end of March and it was estimated that £180,000 in all would be used taking up virtually all of the current fund.

Brian Horton talked about Phase 2 of the railings. It was anticipated that £150,000 including VAT would be enough but a cautious estimate would be £200,000. Once funding was likely detailed tenders would be sought but the tendering process was expensive. However, people like Frankhams had to be employed for Health and Safety reasons etc. The insertion of the railings would, hopefully, be more straight forward.

An application had been made to one of the Sainsburys Trusts. The Heritage Lottery Fund had said 'no' because all the London squares had done it themselves as a private venture. Putting in applications was very laborious as application forms were long and complex. All the applications were different and very time consuming. We would apply for assistance to private contributors to do something for Brighton and its overall heritage of the Grade I Listed Estate part of the historic sea front. Five or six hopeful Trusts had been identified. We had also had a tentative offer of £20,000 from a private donor which would, if channelled through KTS, give £5,000 in gift aid. Maybe £30,000 could be used from reserves and Kemp Town Enclosures' member would need to contribute another £100,000 and they may need a levy of £1,000 or £500 per year per house for two years to fund this. Guided walks or small parties a few times a year were discussed but, generally, not felt to have a significant effect. The railings should not be left for more than 1/2 years.

Jason Cale confirmed, having heard the figures, that he would not object to a levy.

Stephen Harwood, again, stated that the work identified cannot be done by the existing Board. There must be more people and volunteers are sought.

11. **FIVE YEAR PLAN** Steve Harwood spoke to on this. It was not a detailed 5 year statement more flagging up possible liabilities. The population was changing. There was an influx of younger families which may have an impact on the number of Voles. The cost of the gardens is increasing over past costs and the alternative is to reduce the standard of the gardens. He referred to the Outsiders the decision had been taken 10 years ago not to replace them. By this year the number had dropped from 16 to 11. Funds could be raised by reopening to Outsiders with a view to so funding the replacement of the North Garden Railings and, after this the more northerly southern railings and the cobbles which have deteriorated badly over the last three years. Health and Safety and pensions were also adding to staff costs. Pensions were an extra £900 per annum on the Head Gardener. The tress needed more maintenance which was escalating costs. The book-keeping/admin. costs were good value as provided by Jonathan Rolls but if, at some time, he gives this up the replacement would undoubtedly be at a higher cost.

The Board had looked at trying to become a charity. However, it was felt that this would not have much impact and was difficult to do although an environmental basis might be possible. If KTS were a charity applying to other trusts and identified architectural trusts for donations would be a possibility but as the southern railings were proving it was difficult. Commercial events could be held in the gardens – there was not much enthusiasm for this and it would probably raise only about £2,000 per event.

There was a discussion as to whether more outsiders, say 20 to 25 could be encouraged from local surrounding limited locations.

A question was raised on the gardeners hours. Was Jeremy asked to go to 4 days a week? Jeremy confirmed that this had been at his request. Ian Clegg confirmed that there was no intention to reduce the overall number of hours worked by gardeners. Reduced hours for Ben Borrett was raised and the meeting was very against his hours being cut. Mark Harper confirmed, again, that the Board was not looking to save money on gardeners overall, indeed, to spend more. Comments on maintenance and heavy jobs tried for a solution at no increased cost. However, a meeting such as this was not a suitable place to discuss reasons for reducing part-time hours. Mark Eynon confirmed that, although he was no longer on the board, he had been present at meetings where the situation was discussed and confirmed that there were sound reasons. Mark Harper confirmed that the problem was with heavier work and Chris Goss intervened to say that a ‘magic wand’ could not be waved to maintain the gardens at the current cost with the current personnel and it was not appropriate to attack the Board who were all volunteers. It was also noted that Ben and Afke are self-employed contractors not employees.

It was agreed that it would be a good idea to circulate the budget and that the Board would investigate how accounts might distinguish between capital and income costs.

Michael Osborne raised the possibility of looking at how only Freeholders voting might be extended. Mark Harper thought that this, as requiring a change to the constitution of the Company would be difficult to do.

Vanessa Eden thought a newsletter might be helpful. Mark Harper confirmed that the Board needed an electronically and media competent volunteer to help with this who had time for such a newsletter.

It was confirmed that the southern railings had to be cast iron to match the Terraces and withstand the weather.

Mark Eynon congratulated Steve and Ian on their proposals and there was discussion as to the benefit of new Outsiders – some attendees were against. There was a proposal to sell the right to become an outsider for a premium as well as having a yearly payment – this being justified by the increase in value of properties that access the gardens would give. Lucy Goss thought that up to 40 outsiders would not be noticed. Chris Goss felt key issue should be restricted to a geographic area which the Board had agreed. Jason Cale, a new resident, said the gardens were special not least because of the sense of community which Outsiders might dilute.

It was agreed that there would be a follow-up meeting on funding in the New Year
The question of the five year strategy was adjourned.

Mark Harper again proposed the increase in the annual rate. Vanessa Eden stated that most Houses were divided into, at least, five flats, so it was not excessive. On a show of hands the increase rate was passed with only two votes against.

12. **ANY OTHER BUSINESS** Dog owners not registered were to be encouraged to do so. Vanessa Eden said she had three dogs and why should she pay £15 a dog when she already paid the garden rate.

Vanessa Eden said she might be prepared to help with a newsletter and possibly some media help.

No other volunteers had come forward.

The meeting closed at approximate 1.10 pm