

# GAZETTE

PUBLISHED BY THE HAMPSTEAD GARDEN SUBURB TRUST LIMITED

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## Progress in protecting the Suburb

**Gazette No. 8 is issued with Management Charge bills to freeholders. The Charge supports the conservation of the Suburb through the Trust's Scheme of Management. The work includes advising residents, controlling change, resisting over-development and managing communal areas owned by the Trust.**

The Suburb is protected by the Scheme of Management and the original leases in ways which are unique. It is an environment where building is more closely controlled and trees and hedges are better protected than almost anywhere else in the country.

This is no accident, as many readers already fully appreciate. The Suburb started with the ambitious vision of Henrietta Barnett and designers including Unwin, Lutyens and Soutar. Change to their carefully designed townscape, first planned 105 years

ago, was controlled originally through strict property leases.

Times have changed and most Suburb property is no longer leasehold, but an unusually high standard of conservation endures. This is due to residents in the 1960s and 1970s who set up the Scheme of Management and re-formed the Hampstead Garden Suburb Trust.

The concern of residents in the twenty-first century remains strong but the very quality of the Suburb environment, protected by the Trust, creates threats. The monetary value of property means development is very profitable. Consequently the controls which protect the Suburb are under constant challenge. Recently there have been two court cases. One challenge succeeded, but sets no precedent for others to follow. The second challenge has been firmly defeated with a judgement which emphasises 'the important role played

by the Trust in exercising its powers under the Scheme to control development in the Suburb'.

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### The Hampstead Garden Suburb Trust Annual General Meeting

8pm Wednesday 15 September  
Free Church Hall, Northway

The meeting is open to all residents, but to be eligible to vote you must be a member of the Trust. If you are unsure if you are already a member of the Trust please check with the Trust office. Contact details and information on how to join the Trust are on the back page of this Gazette.

Members and other residents are warmly invited to join the Trust Council members and staff for refreshments and conversation following the AGM.

**ALL WELCOME. REFRESHMENTS**



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*The 2009 AGM in progress*

# Residents' questions about the Management Charge

## Why is the bill so much more than last year?

The estimated charge for 2009/10 was £118, but as less than the estimate for the year before had been spent there was a credit of £6 against 2008/09 so that last year most people paid £112.

This year (2010/11) the estimated charge is £119.20. It includes the likely cost of the surveyor appointed after the petition by some residents against the charge for 2008/09 and is still only £1.20 more than last year's estimate.

The total £127 is after adding a surcharge of £7.80 for 2009/10. This is the cost of fighting the demolition of 24 Ingram Avenue.

## What does the Trust do for the money?

Under the Scheme of Management the Trust conserves the Suburb by controlling all external changes to houses and other buildings. This is why the Suburb is different from other conservation areas. For example most of The Bishops Avenue is in Barnet's conservation area but not in the Trust's – you can see the difference.

We have a team of qualified staff who spend their time helping residents,

advising architects, checking the work of builders and contractors, making sure the correct materials such as bricks, tiles and conservation roof lights are used. They also ensure that only the changes allowed are carried out and take action against unauthorised work.

The Trust can, and does, take cases to court to defend the Suburb from unsuitable development.

We provide free specialist advice on tree pruning, hedges or problems with trees.

The Trust owns some of the communal areas of the Suburb which, after years of neglect, are now being maintained and improved. Sunshine Corner, the entry to the Heath from Heathgate, is an example where a restoration project is under way.

## Why can't the Trust control the amount of the charge better?

The Trust Council has said it will keep the charge within a range of £100 to £140 at current prices. For several years before 2005, the Trust used to increase the charge in line with retail price inflation and then make up any shortfall in the money actually spent from the Trust's

reserves. This meant that the reserves were run down and the Trust office mortgaged. If this had continued the Trust would have ceased to exist. Now the Trust estimates the cost in August each year and gives a credit the following year if the estimate was too high or makes a surcharge if it is over spent. This is in line with the rules laid down in the Scheme of Management.

## Why not build up reserves to stop the charge fluctuating?

The Management Charge cannot be used to build up reserves because to comply with the Scheme of Management the Trust can only charge what is actually spent and must return any surplus to charge payers, as happened when £6 was returned last year.

## By what right does the Trust make this charge?

The Trust operates a Scheme of Management for the Suburb which is approved by the High Court under Section 19 of the Leasehold Reform Act 1967. Under the Scheme the Trust is entitled to charge the costs of managing the freehold parts of the estate to freeholders. The charge is

*Outside the Suburb – The Bishops Avenue*



*Inside the Suburb – The Bishops Avenue*





### **Special qualities – Meadway**

classified as a land charge and lies with the freeholder. The Scheme was approved in order to maintain the special qualities of the Suburb after the controls exercised under the old leases were removed by the right given to leaseholders to buy their freehold

### **What has happened about the petition against the charge?**

The Surveyor appointed in late 2009, after objections to the charge of £104 for 2008/09, is considering his conclusions. The cost of his work has been included in the estimated charge for 2010/11.

### **What has happened to the idea of banding the charge in line with Council Tax bands?**

At present the charge remains a flat rate. The application made by some residents in 2006 to the Leasehold Valuation Tribunal to have the charge varied according to the size of the property was refused on the grounds that the current flat rate is not unreasonable. This does not mean that the Tribunal feels that a banded charge would be unreasonable. If residents were to apply to the Leasehold Valuation Tribunal again, the present Trust Council would take a neutral position and would not oppose their application.

### **Why has the Trust spent so much on legal fees?**

The very high value of Suburb property means that some owners and developers feel it is worth their while to challenge Trust decisions preventing them from demolishing or extending their property through the courts. The Trust has to be properly represented in such cases because any precedent set by the court's decision will affect other similar cases right across the Suburb.

### **What has happened about 24 and 25 Ingram Avenue?**

The Trust lost the case on 24 Ingram Avenue and then won the case on 25 Ingram Avenue. Any doubts about the authority of the Trust created by the decision on 24 Ingram Avenue were removed by the judgment on 25 Ingram Avenue.

24 Ingram Avenue will be demolished. However the judgment emphasizes that this is not to set a precedent and that anyone seeking to follow the same path elsewhere on the Suburb 'will face a very uphill task'. In any future applications for demolition of good Suburb houses the Trust's position will be greatly strengthened by the new Character Appraisal, the Local List of Buildings of Architectural or Historic Interest and the revised Design Guidance for the Suburb. This decision will not prevent the Trust from refusing inappropriate applications for demolition in future.

The Trust refused consent for building above a garage at 25 Ingram Avenue because it believed that if consent was given a precedent would be set for closing in the open character of Suburb streets, limiting views of trees and creating a terracing effect in

many locations across the Suburb. The judgment makes a number of points in support of the Scheme of Management for example:

'It is certainly the case that the degree of control that exists under the scheme and the transfer is more detailed and more finely grained than that which exists, or could exist, under the planning regime. And it seems to me also that the expertise available to the Trustees, and their intimate knowledge of the Suburb... must give considerable weight to any conclusion that they reach on a proposal of the sort that is now under consideration'.

'It is an important purpose of the controls exercised by the Trust to prevent creeping incrementalism'.

### **24 Ingram Avenue**



### **►► Continued from page 1**

Court cases are expensive for both sides, but the Suburb's special protection must be defended. Otherwise more challenges will follow. The price per household will be a £7.80 surcharge for the period from April 2009-April 2010 and an element of the estimated charge of £119.20 for the period from April 2010 to April 2011.

The Trust Council believes these expenses are proportionate to the values to residents which are at stake.

# New Suburb Design Guidance for residents

**It is not an exaggeration to say that Hampstead Garden Suburb is an unusual place and is managed in an unusual way.**

Its international importance in the history of Town Planning led to it being identified as an area of sufficient architectural and historic interest to justify both a Scheme of Management operated by the Trust and designation as a Conservation Area by the London Borough of Barnet. It would not be surprising then, if the powers needed to protect such a special area from harm were different from most other historic areas and this explains why the Trust and Barnet have produced such a thorough Conservation Area Character Appraisal and detailed Design Guidance.

The Trust first published Design Guidance in 1994. It was written jointly with the London Borough of Barnet and aimed to offer advice to residents on how to make the most of their homes while respecting the special character of the area. It was a groundbreaking document at the time, ensuring that planning decisions could be assessed against known criteria and applied consistently by both bodies, making the systems of control more understandable to applicants.

***Details like this reflect the Craft Traditions of early 20th Century design and should be retained***



As part of the Conservation Area Character Appraisal (which is about to be published) the Design Guidance has been revised to bring it up to date. Undertaking the Character Appraisal, much of which was written by residents, has helped define the special characteristics of the Suburb which need to be protected and this has informed the new document. It includes advice on alterations that were not considered in 1994, such as basements.

The document, which will be available on the Trust's website, will outline the sort of alterations that require consent from Barnet and the Trust, ranging from major extensions to hardstandings, sheds and minor alterations. It will include general advice on how changes should be planned and designed such as adding an extension, detailing a dormer window or choosing an appropriate garage door. Advice on the maintenance of property is also included, such as repointing brickwork or replacing windows. The text is illustrated to help clarify the advice.

The revised and expanded Design Guidance has been written jointly with Barnet Council's planning and conservation officers. We are fortunate that the Suburb is protected by both bodies, using their different powers to ensure the survival of the area's special interest. Barnet will adopt the new document as supplementary planning guidance, giving it extra power. As a formally adopted policy document, Barnet will be able to use it to support its decisions at appeal.

A public consultation exercise has been carried out and some of the comments received have been incorporated into the guidance. The RA's Conservation and Amenities



***Decorative brishwork and a mix of materials help to create the Suburb style***

Committee were particularly helpful in shaping the final draft.

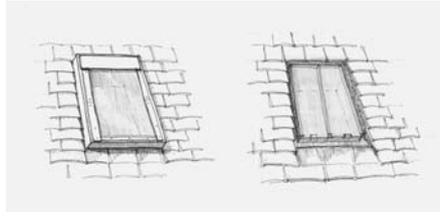
Both the Trust and Barnet recognise that the Design Guidance is liable to evolve as opportunities and threats change. This has already happened. When much of the Suburb was laid out, cars were barely seen on the roads: we now need to plan for them. Increased property values have made extending more profitable than it has been in the past. People today live very different lives to those of the original residents. Economically, the Suburb is more prosperous than ever before and this brings its own pressures – residents expect facilities that the original residents wouldn't have dreamed of, like multiple bathrooms. So the guidance will be regularly reviewed so that it remains relevant.

It is not intended that the Design Guidance should stifle change but to shape it so that is in sympathy with the prevailing character of the place. For instance, new windows can be made up with double glazed units to match the originals in many cases (the Trust will be pleased to advise on this) and extensions can be designed to harmonise with the original house.



To protect the appearance of the Suburb, it may not be possible for residents to add all the space they want. Incremental change can damage the appearance of the townscape and impact on neighbours. The Suburb was planned to have houses and flats of all sizes including smaller, more affordable properties. Overextending houses could alter this characteristic and place more homes out of reach of those on more modest incomes.

Although Barnet and the Trust will try to be consistent in the decisions they



reach, this may not always be possible. Town and Country Planning legislation and the Scheme of Management enable both organisations to control different changes. Added to this, the Trust has a deeper knowledge of the architectural and planning detail of the Suburb which may mean it reaches a different decision to Barnet. In a recent Lands Tribunal case, the Judge recognised that ‘the degree of control that exists under the Scheme is more detailed and more finely-



grained that that which exists, or could exist, under the planning regime’.

The Trust would encourage any applicant to read the Design Guidance BEFORE having plans drawn up. Obviously, the document should be read as guidance only and cannot be a set of rules. Trust officers are able to visit and advise in many cases. We are here to help. If you would like to discuss plans for altering your home or garden, ring the office for an appointment with the Trust’s architectural advisers.

## New Additions to the Local List

**The Local List of Buildings of Architectural or Historic Interest is maintained by the London Borough of Barnet. These are buildings that are not considered to be of national Statutory List quality but are of considerable local interest. They might be designed by important local architects or be part of a significant planned group or simply be of unusual design.**

As the Character Appraisal was being prepared, and our knowledge of the

*9 Constable Close*



Suburb expanded, the Trust compiled a schedule of proposed additions to the Local List. These reflect the latest research and understanding of the Suburb’s development and an awakening respect for the achievements of some architects who contributed to the Suburb and have been overlooked.

Along with the Statutory List, it will form an overview of the best architecture in the Suburb. The list will help resist the loss of good buildings which are threatened with redevelopment or damaging change.

Raising the level of knowledge of the development and architecture of the Suburb will help protect it for the future.

Ongoing research will be published by the Trust as a series of biographical studies of Suburb architects. These are being prepared for Courtenay Crickmer, J.C.S. Soutar and C.G. Butler. We would be grateful if anyone with interesting information relating to the work of these architects would get in touch with the Trust office.

*33-33a Deansway*



# Managing the Trust's estate

**As many readers will know, Hampstead Garden Suburb was laid out on the basis of a formal plan, prepared initially by Barry Parker and Sir Raymond Unwin, whose work was carried on by J. C. S. Soutar (Sir Edwin Luytens was a consultant on the initial design including Central Square).**

Parker & Unwin's plan placed great importance on the space between buildings, with both public and private areas carefully integrated into the plan which respected existing landscape features such as trees and hedgerows. The inclusion of communal spaces was intended to encourage a sense of shared ownership. These informal spaces for recreation, openings affording views, and squares providing access to houses form an integral part of the character of the Suburb. A century on they need sympathetic care and repair to maintain their charm.

The Trust is responsible for some 27 private roads and 55 open spaces across the Suburb, both private and open to the wider community. Since 2007, when an Estate Manager was first appointed, the Trust has focused on appropriate care for these areas. Major work to communal areas was previously undertaken on an ad hoc basis which placed considerable burdens on some residents. One of the Trust Council's stated aims since 2007/08 has been to better manage the private roads and open spaces in the Trust's ownership. This aim extends to maintaining communal areas in a manner which enhances the environment of the Suburb, consistent with the intention of the original plan and residents wishes.



***Fellowship House path***

The Trust is responsible for private roads such as Reynolds Close, Homesfield and Turner Drive, open spaces such as communal gardens at Lucas Crescent, Litchfield Square and Dawber Crescent, and several allotment sites across the Suburb. Perhaps the most high profile area of the Trust's estate is Sunshine Corner, at the end of Heathgate. Over the past three years a program of repair and conservation has been undertaken to maintain the footpath, wall and benches which overlook the Heath Extension. This will be completed next year.

To achieve the implementation of Unwin's plans, the Hampstead Garden Suburb Act 1906 granted the Trust powers to develop the Suburb. The Act contained provisions for communal open spaces, special amenities and facilities. In one notable detail, the Trust was able to retain control of the unmetalled verges of roads adopted by the local authority, so that these could be laid out as gardens, planted with trees or grassed



***Reynolds Close***

over. Although responsibility for these verges has now passed to Barnet, the number of street trees on the Suburb is a reminder of the consideration given to open spaces. The financial aspect of estate management was also considered in the Act, with a provision for the Trust 'to make charges for and to regulate the use of...gardens recreation grounds open spaces and buildings'.

In Town Planning and Practice, Unwin acknowledged the issues raised when houses around communal areas were sold:

*It is, indeed, possible, even where houses are sold to individuals, to arrange some degree of associated use of gardens, as has often been done in the centres of squares; but difficult problems, both legal and practical, are always raised by such schemes*

Reflecting the need to maintain these areas, leases of homes on the Suburb include covenants requiring leaseholders to contribute to the cost of maintaining areas enjoyed in common with other residents. Similar covenants are also included in the

Scheme of Management for freehold properties on the Suburb.

The Trust has developed a consistent policy of using these covenants to collect the cost of maintaining communal areas. Confirming obligations requires analysis of lease terms and consideration of the covenants in the Scheme. In this way these well designed and important aspects of the Suburb's heritage can be preserved and maintained, fulfilling the Trust's role to preserve the character and amenity of the Suburb.

The Trust is now dealing with a backlog of maintenance issues on its estate, with priority being given to areas with the most serious problems. Many of the accommodation roads were not built in line with local authority bye laws and remain private, owned by the Trust. These roads are often narrow, presenting difficulties for parking and refuse collection. An annual measured term private road maintenance contract now enables the Trust to undertake economic repairs to private roads where required. More major works, such as road reconstruction are undertaken in conjunction with a consultant engineer.

#### ***Refurbishment of the steps at Sunshine Corner***



#### **Estate Management work in 2009/10**

- Metered water supply and new path to allotments in Willifield Way in conjunction with the Allotments Committee
- Organising the inspection and clearance of gullies on private roads
- Inspection and maintenance of trees across the Trust's estate
- Managing the full reconstruction of Reynolds Close in conjunction with residents representatives
- Repairs to the roof and external re-decoration of the Trust office

#### **Estate Management work in 2010/11**

- Resurfacing repairs to Heath Close, Lucas Square, Fairway Close and Wyldes Close
- Gully replacement at Linnell Close
- Pothole repairs to service roads off Deansway and Gurney Drive
- Work towards repairs or reconstruction of Turner Close
- Installation of a new drainage system and path at Lucas Crescent

#### ***Sunshine Corner***



Alongside maintenance work, other issues dealt with by the Estate Manager include advising residents of their responsibilities for maintaining their property under the Scheme or lease, dealing with easements and rights over or under the Trust's land alongside reviewing or preparing party wall notices.

This work requires consultation with resident groups, negotiation with contractors and adherence to statutory provisions. Accounts for each of the individual areas are reviewed and costs added to the relevant Management Charge or ground rent bills.

The next stage in improving the management of the Trust's estate is the formation of an Estates Committee. This sub committee of the Trust Council will analyse completed projects and review the overall strategy and policies required for maintaining the Trust's estate in a consistent and effective manner. The committee aims to include representatives from a cross section of Suburb residents and will meet for the first time in October 2010.

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# Finance

## The Trust is a charity

The Trust's property, its real estate and liquid funds, are there for one purpose only – the 'preservation of the character and amenities of the Suburb'. The Trust is a charity, not a profit-making company and its financial health is to be measured by its ability to perform its task of protecting the Suburb – in perpetuity. In marshalling its resources the Trust has to think hard about its long-term future as well as its present concerns.

Accordingly it is helpful to distinguish between the resources the Trust needs for its immediate operations and those it needs to survive in the long term.

## Long term deficits...

At first sight and in the short term the Trust's balance of **current** income and expenditure is discouraging. In 2009/10 the Trust's expenditure exceeded its income by £28,000. This deficit is essentially a function of the currently inadequate level of income derived from the interest on its cash deposits and from investments. This income is depressed by current interest rates and the very unsettled state of the financial markets. Trust long-term projections suggest that this deficit, **net of income from financial assets**, is a structural and inherently long-term feature of the Trust's accounts.

## ...but no need to run out of money again

In the longer term nonetheless the Trust believes that there are two factors that provide strong grounds for supposing that the Trust need never again return to the distressed financial

state in which it found itself in 2005 when it was obliged to raise a mortgage of £100,000 on its property in order to fund its current operations.

The first is the assumption that the financial markets will eventually return to equilibrium and that the yield on investments will revert to their historical levels.

The second is that the Trust's assets as stated on its balance sheet are increasing annually by an amount that is greater than the deficit on its current expenditure. This improvement results in part from the rigorous attitude that the Trust now takes in charging for variations to covenants made in its favour. But in recent years the increase in assets shown on the balance sheet have been in large measure due to exceptional fees negotiated in agreements for changes to property. Four substantial settlements have provided well over half the additions to the balance sheet from this source in the last three years. The Trust expects that funds from the realisation of assets and rights will continue at a more modest level.

## We can even start to be charitable

Meanwhile, the improvement in the Trust's financial situation has enabled it to re-establish its donations to charitable organisations – within still modest limits and as an indication of its future intentions – and it is expected that continued improvements in the Trust's finances will enable it over time to increase its charitable support for the work of others. Charitable giving in 2008/09 was £2,400, in 2009/10 it was £3,000, and for 2010/11 the budget has been set at £5,000.

## Assets stronger but need to be more

The Trust's net assets at the end of 2009/10 were £1,300,000. The value to the Trust of these assets in terms of generating long term income should not be exaggerated. Not all of this sum is available for long-term investment and, at least currently, income on deposits is negligible while returns on investment have been negative.

After deducting £140,000 as the balance sheet value of the Trust's real estate assets and a working capital requirement of £300,000, funds available for investment were about £680,000. At historic rates for conservatively managed investments this would yield an income in today's money of something less than £30,000 p.a. a sum which is less than the Trust's estimated structural deficit. Given that the Trust expects to be able to invest larger sums with time then investment income can be expected to cover the deficit on current expenditure – but the extent of the surplus is likely to be modest for some time after the point at which the deficit is eliminated.

## Funds earmarked

The critical importance of these investment funds for the future of the Trust is something of which the Trust Council is keenly aware. The Trust Council has therefore, as announced last year, earmarked ('designated' is the statutory term) these funds and directed that they should be managed conservatively so as to produce an income that, although initially modest will with time grow in real terms, ie., faster than inflation. Residents, especially leaseholders who

give to the Trust as an acknowledgement that their rents are a fraction of the management charge that freeholders are obliged to pay and who wish to mark their thanks for the work of the Trust, require that their gifts will, like the Trust's own designated funds, be preserved and produce a growing real income in perpetuity.

Currently the Trust has about £500,000 in restricted and designated funds and a further £250,000 available for investment.

## Improving the Suburb is Trust strategy

It is therefore conservatively expected, that as monetary policy and the financial markets return to normal, and within the Trust's long-term planning horizon, the financial surplus at the Trust's disposal will reach £25,000 p.a. The modest size of this income is a measure of the hard work that lies ahead. The desirable improvements to the infrastructure, horticulture and landscaping under the control of the Trust could clearly absorb sums in multiples of this number. The aim of making that possible is the leading thread in the Trust's strategy.

Meanwhile the Trust will continue to husband its resources while being mindful of the need to balance the benefits provided to this generation with the need to ensure that future generations continue to benefit from Dame Henrietta Barnett's visionary enterprise.

## The Scheme of Management

The Trust is the operator of the Suburb's Scheme of Management established by the High Court in 1974

under section 19 of the Leasehold Reform Act of 1967. Under its terms the Trust has the power to control the appearance of houses and gardens on the Suburb and to levy a management charge on freeholders to fund the operation of the Scheme. Although the Scheme is financed by residents the Trust could not be the operator unless it had funds of its own to meet expenses related to the Scheme other than those required for its operation from year to year. Expenses for example, relating to changes to the Scheme, cannot form part of the Management Charge. Furthermore the Trust must meet, from its own funds, leaseholders' share of overheads and of expenses such as maintenance of communal open spaces if the lease does not require contributions and the leaseholder does not contribute voluntarily.

## Trust services at cost

An important aspect of the Scheme is that all the funds that it covers remain the property of freeholders until expended and any surpluses must be returned to them. All the services provided by the Trust or commissioned by them for the Scheme must be provided at cost. The Scheme's operator may not make a surplus over his costs but is not expected to contribute towards operating expenses. The Scheme is not a legal entity but an accounting framework that ensures that all its expenses are fully accounted for, auditable and capable of challenge under the relevant legislation. Accordingly the Trust's accounts show the Scheme of Management to be in exact balance at the end of the year; the Scheme may not retain reserves.

## Key points:

- The Trust's real estate and liquid funds are there for one purpose only – the 'preservation of the character and amenities of the Suburb'.
- The benefits provided to this generation need to allow future generations to benefit from Dame Henrietta Barnett's visionary enterprise.
- Although the Scheme is financed by residents the Trust could not be the operator unless it had funds of its own.
- All Management Charge funds remain the property of freeholders until expended and any surpluses must be returned to them.
- In 2008 the acceptable range for the Management Charge was set at £90-£140, in 2009 at £95-£140 and this year at £100-£140.
- Over three years the central point of the acceptable range for the Management Charge has increased from £115 to £120 – less than the rate of inflation.

## How much will the charge be in future?

The expenditure of the Scheme of Management must be 'economical, efficient and consistent' but the legislation and the Scheme itself do not specify any particular level for the Charge. This leaves Charge payers with no guidance as to the likely level of the Charge in the future. The Trust therefore each year publishes its estimate of the range within which the Charge is expected to fall 'for the foreseeable future'. In 2008 the range

## Finance (continued)

was set at £90 to £140, in 2009 at £95 to £140 and this year the range has been set at £100 to £140. In three years the lower limit has been increased by an amount approximately equal to the rate of inflation while the upper limit has been unchanged and so has decreased when inflation is taken into account. Over three years the central point of the range has increased from £115 to £120 ie., at something less than the rate of inflation. The range is still wide but has narrowed both in money and in real terms. The actual charge paid gross of surcharges and rebates has fallen well within the range since it was first announced. The Trust does not expect any significant real increase in the level or range of the Management Charge for the foreseeable future.

### Litigation principal cause of uncertainty

The difficulty in being more precise about the level of the Management Charge lies in the fact that the income of the Scheme at about £500,000 is small when compared with the size of some items of expenditure.

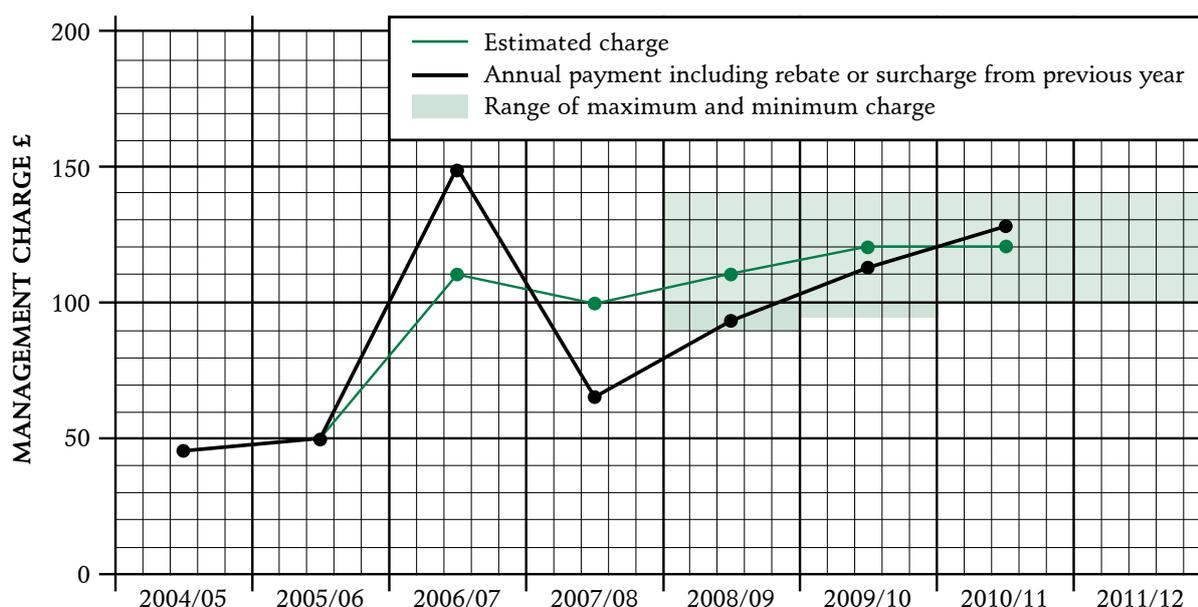
Litigation is the principal cause of uncertainty and, for example over the five years to 2010, the costs of contesting in the courts the demolition of a Soutar house and the loss of an expansive view of Turner's Wood in Ingram Avenue amounted to £250,000. The adverse decision in 2010 was, of course, unexpected and the Trust's consequent failure to recover its costs was not included in the budget on the basis of which the calculation of the Management Charge was based. This

has resulted in a surcharge of £7.80 and consequent effective charge for the year 2009/10 of £127.

Similarly, the successful petition for the appointment of a surveyor under clause 11 of the Scheme of Management to determine the Management Charge for 2008/09 was not foreseen. However, the charge that this is expected to produce will not fall to be paid until the current year and the Management Charge for the current year includes this amount and will not involve the surcharge that would have been the case if it had been presented in 2009/10. At the time of writing the outcome of this determination is not known.

This year's bill of £127, with the surcharge, again falls within the Trust's revised assessment of the range at £100-£140.

### The Management Charge 2004/05 to 2010/11 – £ Money of the day



YEAR	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Billed Charge</b>	47	50	110	99	110	118	119.2
<b>Actual Expenditure</b>	-	89.5	77	82	104	125.8	-
<b>Surcharge/(Rebate)</b>	-	-	39.5	-33	-17	-6	7.8
<b>Actually Paid</b>	47	50	149.5	66	93	112	127

## RESOURCES EXPENDED ALLOCATED TO FUNDS AND RELATING TO MANAGEMENT CHARGE

for the year ended 5 April 2010

Expenditure items	Total £	General fund £	Scheme of management £	Cost per charge £
<b>1 Staff costs:</b>	319,317.92	60,670.40	<b>258,647.52</b>	
Staff salaries inc PAYE & NI, contract and temporary staff, employee and volunteer expenses, training costs				
<b>Less income from fees on freehold applications</b>			<b>74,976.67</b>	
<b>Legal fees recovered</b>			<b>5,237.32</b>	
<b>Net staff costs</b>			<b>178,433.53</b>	<b>49.91</b>
<b>2 Premises costs:</b>	49,980.89	9,496.37	<b>40,484.52</b>	<b>11.32</b>
Office rent, utilities, telephone, Council Tax repairs and renewals, cleaning etc				
<b>3 Administrative costs:</b>	45,795.88	9,187.22	<b>36,608.66</b>	<b>10.24</b>
Insurance (except for trustees), office equipment, printing, postage & stationery, public relations, bank charges, depreciation, loan costs				
<b>4 Governance costs:</b>	5,704.11	1,083.78	<b>4,620.33</b>	<b>1.29</b>
Trustee insurance and travelling expenses				
<b>5 Projects and amenities costs:</b>	36,303.61	24,498.73	<b>11,804.88</b>	<b>3.30</b>
Maintenance of amenity areas				
<b>6 Legal costs:</b>	180,844.05	28,004.37	<b>152,839.68</b>	<b>42.75</b>
Legal costs for general advice and litigation				
<b>7 Other professional costs:</b>	25,661.70	8,478.49	<b>17,183.21</b>	<b>4.81</b>
Arboriculturalist, human resources, valuation advice				
<b>8 Audit fees</b>	11,031.75	3,365.16	<b>7,666.59</b>	<b>2.15</b>
<b>Expenditure</b>	<b>674,639.91</b>	<b>144,784.52</b>	<b>449,641.40</b>	<b>125.77</b>

At 6 April 2009 3,560 management charges payable. At 6 April 2010 3,590 management charges payable. Average for year 3,575.

Income from fees on freehold applications	<b>74,976.67</b>	
Income from recovery of legal fees	<b>5,237.32</b>	
Total management charges including in year enfranchisers	<b>422,009.96</b>	
Total income	<b>502,223.95</b>	
Total expenditure	<b>529,855.39</b>	
Balance of management charges to be (charged) credited to freeholders	<b>(27,631.44)</b>	(7.80) rounded figure

*This extract from the Trust's audited Annual Report & Accounts shows how the Management Charge was spent. The full report is sent to all members of the Trust (application form on the back of this Gazette).*

INTERESTED IN THE WORK OF THE TRUST? KEEN TO BE INVOLVED AND INFORMED?

# Become a member of the Suburb Trust

Membership of the Trust is not automatic and is entirely voluntary (unlike the obligation to pay the Management Charge or Ground Rent). By choosing to become members residents have the opportunity to keep up to date with Trust news, receive the annual report and accounts and to participate in the Annual General Meeting. Members receive invitations to occasional lectures and other Trust events.

The Trust differs from most companies in that while fulfilling its objective to conserve and maintain

the character and amenities of the Suburb it produces no profits or dividends. The Trust does not have shareholders but members who have no financial commitment and a limited liquidation liability of £1.

The eight company directors, known as the Trust Council are volunteers. Four of the directors are residents elected by Trust members and four are appointed by outside organisations: the Law Society, Royal Institute of British Architects, Royal Town Planning Institute and the Victorian Society.

The Trust hopes that Suburb residents who believe that conservation of this unique area is important will consider becoming members. Residents may become members, free of charge, if they are over 18 and have lived on the Suburb for more than 3 years.

To become a member of the Trust please complete the form below and return it to the Trust office. We will write to you once your application has been received.

If you have any questions about membership please do not hesitate to contact the Trust office.

## APPLICATION FOR MEMBERSHIP

**Please send completed forms to: The Secretary, The Hampstead Garden Suburb Trust,  
862 Finchley Road, London, NW11 6AB**

I (Mr/Mrs/Miss/Ms) \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(FULL ADDRESS IN BLOCK CAPITALS)

hereby apply for membership of The Hampstead Garden Suburb Trust Limited subject to the provisions of the Memorandum of Articles of Association thereof. I declare that I am a resident\* in the Hampstead Garden Suburb and that I have been continuously since \_\_\_\_\_ (at least 3 years before application) and am over 18 years of age.

Date \_\_\_\_\_ Signature \_\_\_\_\_

*\* 'resident' in the case of a corporation means entitled in the opinion of the Council of the Hampstead Garden Suburb Trust Limited to be treated as a resident of the Hampstead Garden Suburb.*

## Contacting The Trust

862 Finchley Road, Hampstead Garden Suburb, London, NW11 6AB  
Tel: 020 8455 1066 • Website: [www.hgsttrust.org](http://www.hgsttrust.org) • E-mail: [mail@hgstrust.org](mailto:mail@hgstrust.org)  
Company registration number: 928520 • Registered charity number: 1050098

**HAMPSTEAD - GARDEN - SUBURB - TRUST**