

VIEWS

SUMMER 2017

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Management Fees

For 2017/18 the Owners' Committee have set the management fee at a level which represents an average increase of only 2.9%. This will result in a reduction in expenditure on refurbishment. Had we chosen to maintain the same level of refurbishment as 2016/17 the average increase would have been 4.9%.

In 2017/18 there will be a significant Rates rise of almost 15%. We considered appealing this but have taken advice which suggests that there is a very real chance of an even higher figure if we submit an appeal. We will also see in 2017/18 a 4.2% increase in the National Living Wage, which affects our Housekeepers. In addition to these significant increases we are seeing rising fuel costs affecting our suppliers and a general escalation in supplier costs – many of you may be experiencing the same in your day to day costs at home.

We are mindful of the need to balance the demand for more and faster refurbishment with the demand for minimal management fee increases. As a society we are seeing an upward trend in general costs and it therefore seems right to minimise the management fee increase in 2017/18. The impact of this however is a reduction in the refurbishment we will be able to do – which would equate to something like 8 bedroom refurbishments or 3 kitchens or resurfacing many of the side roads from the main estate road, although in reality it is likely to be a combination of things which are impacted.

We hope you will appreciate both the decision made to keep the management fee increase to a minimum and the impact of such a decision.



Langdale Owners' Club v Langdale Leisure Ltd

What's the difference between Langdale Owners Club, Langdale Owners Plc and Langdale Leisure Limited? In fact, who are they all?!

It appears from the Guest Questionnaires that some Owners are unaware or unclear that 'Langdale' is made up of several different entities, and of the relationship between these and the Owners. To better understand this it may help to explain the entities involved and a little of the Langdale history.

- **Langdale Owners Club (LOC)** – under the Constitution everyone who owns a timeshare week at Langdale automatically becomes a member of the Langdale Owners Club
- **Langdale Owners Plc (LOP)** – is a holding company which wholly owns Langdale Leisure Limited. All its shareholders are timeshare Owners at Langdale.
- **Langdale Leisure Limited (LLL)** – is the trading company which operates the entire business run on the Langdale Estate, and is a subsidiary company of LOP.

In the 1990's the Langdale business (which was run by LLL) and the estate freehold was owned by Scottish & Newcastle Breweries. They felt that it didn't fit with their other business interests and offered to sell the estate to the lodge Owners. Langdale Owners Plc was formed and all Langdale Owners Club members were invited to invest in LOP. In return they were given a share in LOP. Owners were only allowed to invest sufficient to purchase one share for each timeshare week they owned. The funds raised by Owner investments, when added to a bank loan, enabled LOP to purchase the Langdale business and the estate freehold. They therefore purchased LLL, the trading company.

Those who invested to buy the site, approximately 20 years ago, are some way off seeing their investment returned in purely financial terms, but they didn't make the investment for financial return, they made it for the benefit of ALL Owners (whether they are shareholders or not). Many companies pay dividends to their shareholders. Some companies give their shareholders special offers and/or discounts in addition to, or instead of, paying dividends, e.g. M&S send their shareholders vouchers annually. In the early years following the purchase of the Langdale estate by LOP the shareholders received no financial return for their investment. In recent years LOP has chosen to make a contribution to the payment made by Shareholders for their management fee.

Shareholders only retain their share while they retain their timeshare week as the shares are inextricably linked to the timeshare weeks. In theory, a lodge with a share is more valuable. In reality this is debatable as many purchasers don't understand or appreciate the value of a share. Many of the current shareholders didn't invest in the purchase of the estate. Like me, they simply bought a week that has a share attached, with little (if any) knowledge of what it means. If LOP shareholders were not LOC members the situation for Owners might be very different. The shareholders might be more concerned with financial returns than with the operation, maintenance and development of the Langdale Estate. As it is, all LOP shareholders

are Langdale timeshare Owners, they are therefore as concerned with the operation of the timeshare as they are with the wider business of LOP.

When thinking about what happens at Langdale it's helpful to know that LOP, not the timeshare Owners, provide the funding for the operation, maintenance and development of the on-site facilities - the Hotel (including the leisure facilities – pool, jacuzzi etc.), Brimstone, Wainwrights, Brimstone Spa and Stove. They could not do this if the shareholders didn't support the plans and funding. Recent developments such as Brimstone, Stove and Spa, have been made to safeguard the future of the business, which (hopefully) means that LOP will continue in business and continue to look after the Langdale estate. The facilities, owned by LOP, are available for hotel guests and timeshare residents (Owners and renters) to use, but they are part of a business and are operated as such. Owners contribute nothing to these facilities, unless they choose to use them.

LOP recognises that LOC members are key customers. They kindly allow timeshare residents to use the leisure facilities free of charge. We are very fortunate here as many timeshare sites are operated by companies which charge the Owners for use of such facilities. LOP also introduced the Owners' Privilege card, which gives ALL Owners (not just shareholders) significant discounts towards on-site and off-site facilities.

There is a very good working relationship between LOC, LOP and LLL, built up over the last 20 years by many people passionate about Langdale, several of whom have given significantly of their own time for no reward. One of the ways in which this is demonstrated is via the contractual service charge due from LOC to LOP for the services they provide (e.g. maintenance of the properties and the grounds). Contractually LOP can charge '15% on costs', although they currently charge significantly less than this. (All Owners sign up to the contractual agreement when they purchase their timeshare week).

LOC are purely concerned with matters relating to the timeshare properties and their Owners. They are not involved in the development, provision, maintenance or operation of any of the on-site facilities. Maintenance, Housekeeping and refurbishment of the timeshare properties is carried out by LLL, at the request of LOC Committee and in accordance with the Constitution of the Club, and paid for by the Owners through the annual maintenance fee. The fee is set by the Committee and is the same for every Owner, depending only upon the property they own. The role of the Committee is to work with LLL to ensure the timeshare part of the business is run in the best interests of ALL Owners.

It is in the interests of all Owners, both shareholders and non-shareholders, that LOP is successful as it owns and looks after the Langdale Estate. It is only the shareholders however who can directly influence LOP.

Business Continuity Planning

At Langdale there are some emergencies that are unavoidable and impact the operation of the resort and the safety and enjoyment of the guests. To minimise the impacts of things like adverse weather, power cuts and such like, the management company have continuity plans in place to enable those people involved to return things to "business as usual" as quickly and efficiently as possible.

Some aspects of the management company's planning will be visible and you may have encountered it already with personal evacuation plans which are available to all guests on site but other things may not be so obvious but are nonetheless important to protect our guests and the business.

Some examples of where timeshare Owners interests are specifically considered include; data protection, lodge access and egress, power and internet connectivity.

Whilst not every eventuality can be planned for the team at Langdale are prepared and equipped to look after the guests and facilities to the best of their abilities at all times.



Community Projects

As you are aware Owners have the opportunity to support two local projects when paying management fees:-

1. Repair of the weir – the work was completed some time ago but there were costs to be recouped
2. Our Man at the Top (OMATT) – local environmental and footpath repair projects

As we were reaching (and have now reached – many thanks) the point of having recovered all costs associated with the weir repair we were open to other opportunities to support the local community. We had been approached jointly by University of Cumbria and The Brathay Trust with a proposal to sponsor their Aspiring Leaders Programme, a degree level programme aimed at developing community leaders in Cumbria. The programme is only open to candidates from within Cumbria and North Lancashire and is focussed on supporting young people from the most deprived areas of Cumbria, generally West Coast communities. Candidates are only eligible by virtue of existing voluntary work undertaken in their own community.



The opportunity to support a programme that has the potential to provide long term community benefit within Cumbria, and specifically many of the communities that we draw the majority of our lodge housekeeping staff from, was appealing. The bulk of the funding for the programme is provided by the Francis C Scott Charitable Trust and we have committed to provide a 'Langdale' place on the Aspiring Leaders Programme for 3 years. The LLL management team have committed to augment this donation by providing mentoring support to students and work placements.

In recent years Owners have generously donated approx. £16,000 p.a. to local projects by paying an additional £10 when paying their management fees, demonstrating that you recognise how important it is for Langdale to support the local community and how small amounts (£10 each) can add up to a significant amount. This new opportunity gives us the chance to help young people now (the candidates) and in the future (the people they will in turn support and develop).

For more information see -

www.brathay.org.uk/aspiring-leaders-programme
www.fcsct.org.uk/leadership-programme/



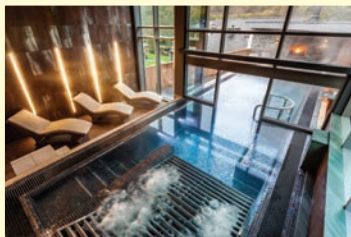
Stove & Spa

Many of you will have experienced one or both of the above, and hopefully enjoyed them. As you will appreciate these facilities are provided and operated by Langdale Leisure Limited (LLL) - they are not the responsibility of the Owners Committee.

Change results in many feelings and, whether it brings something which is to our liking or not, it can be difficult to see the benefits of it. So what are the benefits to Owners of these new facilities?



Stove gives us many different options for a dining experience without having to leave the estate. This may mean that we don't have to walk far, that we can have a drink and not worry about getting a taxi home, that we can enjoy a meal with children in one area and a meal without children in another, that we can go to the same place for coffee and cake as for a three course meal, that we can simply sit and read the paper without purchasing anything (perhaps while friends are swimming). It also means we can have food and drinks in a lovely environment at a reduced price, using our Owners Privilege card.



The Spa gives us access to a high quality sensory experience on our doorstep, somewhere to experience and enjoy thermal experiences and relaxation rooms, with or without a massage or facial or other treatment.

The above may be obvious benefits, a less obvious benefit perhaps is the increased appeal of our holiday properties as somewhere to rent or buy. Prospective purchasers and/or renters want to know that there are modern, varied and comfortable environments for them to enjoy during their holiday. As an Owners Committee we try to balance the desire to control Management Charges with the desire for up to date furnishings and features in our accommodation, but we can't provide other facilities that holiday makers look for.

It's also important for LLL to be successful. We need their business to succeed so that we continue to have access to on-site leisure facilities and restaurant areas to enjoy.

25 Years of RCI Gold Crown Status

The Langdale Estate has for many years provided the administration support to enable Owners to exchange their weeks with RCI who grade the resorts based on guest feedback.



The grading is based on guest feedback in many areas of resort operation including check in/out, hospitality and service, unit quality and maintenance, housekeeping and resort amenities and the Gold

Crown grading is the highest awarded.

In 2017 Langdale has been recognised for achieving Gold Crown status for 25 continuous years which is a fantastic achievement for those involved with not only the timeshare properties and associated amenities but also all staff encountered by the reviewers.

Although Langdale is not an affiliate of any of the three main timeshare exchange operators (Dial an Exchange, RCI and Interval International) the management company maintain a close working relationship with each one to enable exchanges on behalf of Owners.



Co-Wheels

The trip to Langdale is hopefully always a very special one and the well documented feeling one gets when arriving at Elterwater Common and seeing the Langdale Pikes rise up in the distance should be bottled and sold. However the journey to get to Langdale can be a long and arduous one and a week at Langdale without a car is not an option for most people.

You can though let the train take the strain and still have a car to get about in at Langdale with local car hire from Co-Wheels car Club. With eco-friendly vehicles available at both Oxenholme and Windermere railway stations you can alight from the train and drive away in your pre booked vehicle and return it when heading back to get on your train. More information is available on the Owners website and also at www.co-wheels.org.uk.

Owners Website

Over the last year the Committee have placed various articles on the Website which may be of interest to you - topics include 'Where does your money go?', 'Local Community' and 'The 5th Utility'. Some of the articles may be reproduced in Views but not all of them, and you'll see them first on the website. Please have a look and let us know if you'd like to see further articles, and if there are any topics you think would be interesting and / or helpful.

langdaleownersclub.org.uk