

4th January 2010

To the Chairman and Members of ARMA

I wanted to take this proactive step of writing an open letter to the Chairman and Members of ARMA in order to provide context on an external audit of the processes and procedures within the Solitaire and County Estate Management businesses conducted in late 2009.

As many of you will know, The Peverel Group took over responsibility for Solitaire and County Estate Management (CEM) in 2008. We found the two businesses were full of good and committed people, but our own observations and feedback from residents and their representative committees subsequently showed that we needed to improve the consistency and standards of some of the services that we provide.

As a committed member of ARMA, Peverel Property Management has always been dedicated to delivering best practice in the property management business. Our recent work is to ensure that in the future residents receive the sort of service they expect and that Peverel Property Management prides itself on.

We have put in place:

- New management structures;
- New property management standards;
- New banking and accounting arrangements;
- Restructuring sales ledger and purchase ledger so that in future our customers receive bills on time and as a consequence contractors get paid promptly;
- Bringing in new standards and working arrangements for our Property Managers and Customer Service teams;

and the biggest task of all

- the migration of the details of over 40,000 homes to a new Property Management software system.

As Property Management professionals, you will all know that these changes cannot be achieved in a few weeks. As customers ourselves, we also understand the need to see good service levels in place as soon as possible.

In the Autumn of this year, working with ARMA, we underwent an independent audit of our work to date. The audit indicated that the steps being taken showed that our new systems and processes meet the demands of customers and the service charge management code fully. In no area were specific additional requirements highlighted.

We have retained our commitment to our employees in terms of their personal development, training and education. In addition, our Training & Development team continues to deliver training support for all managers and staff, from Leadership Skills through Performance Management and Appraisal Support.

These initiatives, with others, have contributed to us achieving the Investors in People accreditation (IIP) in November last year.

Whilst going forward we can be confident of our ability to retrieve information, deal with our customers and manage queries it is fair to say that this is not the case for many queries and issues that relate to historic matters. Certainly when these businesses have handed over instructions to new managers they have not always been smooth transitions and indeed on occasion information that you would reasonably expect has not been available. I would unreservedly apologise to ARMA members who have suffered from this in recent months.

From the time that Peverel inherited Solitaire and County Estate Management an enormous amount of work has been done to put them in good order. We still have a way to go but are absolutely committed to ensuring that we operate to the standards required by ARMA that we have built our business on.

If you experience any future problems please contact me directly and I will ensure that this is investigated by a member of the Senior Management

Yours sincerely



LEE MIDDLEBURGH BSc MRICS MIRPM
Managing Director
Direct Dial: 01582 798196
Fax: 01582 393777
E-mail: lee.middleburgh@peverel.co.uk