

## **Introduction from Nigel Bannister, Chief Executive Officer, Peverel Group**

At Peverel, we understand just how important peoples' homes and living arrangements are to them. For more than 25 years we have taken great pride in the service we offer our customers and the reputation we have built as a market leader in the property related services field.

Our customer focused approach has enabled us to grow and embrace telecommunication solutions, security systems, retirement property sales, insurance services and general residential property management.

We are now a business with over 4,000 staff. Over three quarters of these actively work at the developments we manage, acting not only as professional property managers but also as good neighbours to all our Residents. However, it's also worth clarifying this in the context of the overall 'sheltered housing' provision in the UK of approximately 500,000 'units', Peverel manages 59,500 – that's around 11%.

We are passionate about standards and work with various awarding bodies such as the International Organisation for Standardisation, the Telecare Services Association and Investors in People. Peverel also encourages and supports qualifications within the business, such as the Institute of Residential Property Management, National Vocational Qualifications, Association of Accounting Technicians and Chartered Institute of Management Accountants. We have also been involved with the drive to improve regulation across the leasehold sector, working closely with bodies including the Royal Institution of Chartered Surveyors, as well as the Association of Retirement Housing Managers.

As a progressive and responsible market leader, we set out to undertake this review following specific feedback, both positive and some negative, from our customers and industry associations. What follows is a look at what we have reviewed and measures proposed to continue to set the pace of market leadership, while listening closely to the needs and wants of all our customers.

It is important to note that Peverel is conscious, in undertaking the review, that it has to ensure that the legal terms of the leases set up in the great majority of cases by McCarthy and Stone and entered into by the lessees, are honoured and maintained. Peverel is not free to amend, alter or depart from the terms of these leases.

Our extensive review has taken four months to complete, during which time we have consulted our staff and listened to our Residents, both informally and formally. This included commissioning a major piece of independent market research involving close to 6,000 Peverel Residents. A framework is now in place so we can repeat the quality control survey on an annual basis.

Key outcomes from the review include:

### **House Manager flat rentals and transfer fees**

We recognise that these are emotive subjects. Following feedback, Peverel Retirement has reviewed House Manager flat rentals and will provide support to these costs<sup>1</sup> that are payable to the landlord where it is appropriate to do so. This initiative will be discussed at the developments concerned between now and the end of June 2010.

We will continue to act for the landlord in collecting transfer fees where legally obliged to.

### **Permission charges / management charges**

People have told us that the list of permission charges is too long (i.e what Residents need to pay the landlord in order to make changes to their property.) Peverel has now negotiated with the landlord to reduce the list of items where a permission charge will be made and provided further context on the need for these. These can be viewed at [www.peverelretirement.co.uk/useful\\_info\\_resources](http://www.peverelretirement.co.uk/useful_info_resources).

Earlier this year, independent market research saw 80% of Residents interviewed say they felt our current management fees were good / excellent or reasonable value.

The cumulative impact of the business review is intended to help control service charge costs and demonstrate our intent to offer value for money to our customers. We are fully transparent in what activities we undertake for the management fee, details of which can be found at [www.peverelretirement.co.uk/useful\\_info\\_resources](http://www.peverelretirement.co.uk/useful_info_resources).

### **Noticeboard**

We have two notice boards in the majority of our developments: one for Peverel use, and one for communal use. Peverel will maintain the Peverel notice board as a focal point for communications with Residents, but we are perfectly happy for the second notice board to be used by Residents or other sensible, legitimate third parties. They are of course checked by our House Manager to ensure no defamatory or illegal information is posted.

### **Commission and tenders**

We've thought long and hard about our commission on buildings insurance which cover costs for services associated with arranging, maintaining and servicing cover.

As our commission is included within the premium paid by Residents, we have decided that, going forward, we will now set this at a transparent, fixed 14%. It may be a little unusual that we are quite so open with this figure, but commissions are part of everyday insurance business and we hope this move is welcomed.

Our tender process is always compliant with the law. It will always involve inviting at least three independent contractors to tender for those contracts subject to Section 20 of the Landlord and Tenant Act 1985. In addition, we will follow this process for

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<sup>1</sup> whilst we are instructed as the managing agent

significant value contracts below the Section 20 threshold. For annual contracts we will follow this tender process every three years.

### **New Service Promise**

The review has told us many things. It's told us we're very strong in the majority of areas, but less so in a small number of cases. So, we've decided to introduce an all-new Peverel Service Promise.

This will be launched in late spring and alongside our addition of the Housing Ombudsman Service to our complaints process, will hopefully provide our Residents with the utmost confidence in our offer.

The nature of a review is that it is unlikely to please everyone. However, we always strive to be professional, respectful, fair, transparent and progressive. I hope the above measures demonstrate that.

Nigel Bannister

March 2010