

Open Letter from the Directors of St Stephens Pavilion Management Company Limited

Date: 19th June 2017

Dear Members / Residents,

By now you will have received the first correspondence from our new Managing Agents, Norwich Residential Management, who will be replacing Residential Management Group on **1st July 2017**.

The purpose of this open letter is for us, the Directors of St Stephens Pavilion Management Company Limited (SSPMCL), to take the opportunity to explain the reasons for the change, the process we went through in the selection of the new agent, why Norwich Residential Management (NRM) were chosen to replace Residential Management Group (RMG) and what the future holds for our development.

Why change was needed

As many of you are aware, the inception for this chain of events was as a result of the development going into residential control on 11th January 2017.

Since SSPMCL moved into residential control the newly appointed residential Directors have been unhappy with both the performance and the level of service received from RMG as SSPMCL's Managing Agent, both prior to and since the transition to residential control.

Our concerns centred on:

- 2017 Budgeting Process, including changes to the apportionment scheme
- Delays and Escalating Costs of Major Works (Repairs & Redecoration to the Administration Building)
- Management / Retendering of SSPMCL Contracts & Contractors and the use of affiliate companies
- Oversight and management of Anglian Water Bulk Supplies to the Pavilion and Administration Building

The residential Directors held the company's Annual General Meeting on 29th March 2017 and discussed the Managing Agent contract with the members. The residential Directors sought approval from the members to move forward in negotiating a new Managing Agent contract from the 17th August 2017 and which could include appointing an alternative Managing Agent and agreeing the remuneration. SSPMCL members unanimously agreed this proposal.

The Directors met formally on the 3rd & 12th April & 3rd and 22nd May 2017 to discuss this matter in further detail.

The Directors wrote to RMG on 4th May 2017 to inform them that SSPMCL will no longer require the services of Residential Management Group Ltd, as of 16th August 2017.

The selection process

Following the Directors' meeting held on 3rd April 2017 we made the decision to retender the Managing Agent contract for SSPMCL. To this end we had initial discussions with several local managing agent companies, each offering different approaches to the management of our buildings and estate, and tenders were invited from three local (Norwich based) companies;

The companies were asked to present to the Directors against the following key objectives:

- Value for money, hoping to achieve savings in annual Service Charges to residents.
- Proactive management of contractors and building maintenance, including long term planning of preventative repairs and improvements to communal areas; a prompt response to issues raised by residents and reactive maintenance.
- Proactive communication and engagement with residents, with transparent disclosure of costs and activities of the Management Company to residents.

- Strong management of budgets, actively looking to deliver savings without compromising on the quality of services delivered to residents.

Following the tender requests, meetings were held with the interested companies where we discussed the development, allowed them to walk around the building, discussed the issues we have and how they could deliver against our objectives. The companies were then asked to prepare formal tenders so that the overall costs to the development were comparable between the different providers.

The SSPMCL Directors (James Rollingson, Jim Atkinson & Penny Field) formed a sub-committee / selection panel to discuss the tenders and met formally to discuss the merits and demerits of each bid based on tender documentation provided, impressions from our interaction with the companies and their responses to our key objectives for the development. It was at a meeting held on 22nd May 2017 lasting over 4hrs that the decision was unanimously made that we would proceed with NRM in order to replace RMG as Managing Agents employed by SSPMCL. The Directors of SSPMCL signed an initial 12 month contract with NRM at the conclusion of the 30th May 2017 Board meeting with a start date of 1st July 2017. We have asked NRM to formally write to all members introducing themselves and asking members to provide updated contact details and also to include this open letter from the Directors.

Why NRM are the right choice for our development

As directors we were very impressed with the package presented by NRM in comparison to the other bids, and felt that they were more than capable of delivering and exceeding our key objectives for the development.

Some of the key positives for us were:

- Weekly visits to the development, with a property management team based in Norwich.
- Proactive management of outside contractors, minimising additional costs and providing additional eyes and ears on the ground.
- Excellent communication with residents, proactively taking steps to engage with owners and tenants of properties.
- Proven track record of taking over and resolving issues of developments previously managed by RMG in East Anglia.
- Finally the bid offered the greatest value for money in the opinion of the Directors.

As such we have every confidence that NRM were the right choice for the development, and all the interaction and support we have received since has reinforced that we have made the right choice on behalf of all residents going forward.

The future

We as directors will be looking to work with NRM to deliver savings, where possible without compromising the services to the development, going forward into this year and beyond.

Our short term priority is to move forward the repairs & redecoration to the Administration Building and we hope to be in position to submit a revised Section 20 statement of estimated costs in early July to allow work to commence in August 2017.

We are keen to hear your views on the direction of the development and how you feel our community can be improved. You can continue to contact us via email enquiries@sspmcl.co.uk or our website www.sspmc.co.uk

Yours sincerely,

Clayton Hudson Jim Atkinson Penny Field James Rollingson
Directors - St Stephens Pavilion Management Company Ltd