



Annual Report

Putting the property management pieces in place



2008 / 2009

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CHAIRMANS REPORT...

*Brett Williams BSc (Hons) MRICS FIRPM,
Partner, Curry & Partners*

It has been a funny old year since I wrote my last report, but at the risk of tempting fate, our sector has proved resilient despite the recessionary pressures. That being said, members will see from the following reports there have been a few side-effects.

Not least of these has been the increase in complaints that our Secretariat has had to deal with. No member can expect to be complaint-free but unless the subject of the complaint is intractable they really should not land up on the Secretariat's lap. And if it is intractable and relevant you will see we are intending to introduce a more robust redress scheme.

On the positive side, and I firmly believe it is the much, much bigger side, members are to be congratulated in getting through a difficult 12 months and supporting our Association through attendance on our training courses, at Regional Briefings and the Annual Conference.

As your Chairman, I perceive that other than ensuring sound finances and compliance with the Code and Bye-laws I need to ensure members receive maximum value from their subscriptions. By next year I will be coming to the end of my chairmanship so I would like to exhort all members to think deeply about what else your association could be doing for you and let me know.

I will, obviously be at the AGM, the Annual Dinner and Conference, so do look me out.

I would like to close by thanking my fellow Council members and those who sit on our various committees and working groups for their hard work and support over the last year all of which is given freely. Without them, the progress which has been made would not have been possible. I also wish to thank David Hewett our Chief Executive and his Secretariat team for their fantastic and continuing efforts to develop ARMA.

Finally, my thanks to the whole membership for your support during my second year in office.



Brett Williams of Curry & Partners

**For more information about ARMA and
our services visit:
www.arma.org.uk**

PRACTICE COMMITTEE...

*Chaired by Laurence Read BSc MBA,
Director, Castlebar Management Ltd*

The Committee met four times during the year, although much of the work was executed outside of these formal meetings via the ubiquitous emails!

The Committee has four main tasks:

- Keep under review the requirements for membership and update these as circumstances dictate.
- Process applications for Corporate membership and Affiliate status including interviews of the applicants where appropriate.
- Monitor the performance of members in terms of complaints received and where appropriate take disciplinary action.
- Monitor the misuse of the ARMA logo by non-members and any false claims to membership and take appropriate action to stop such abuses.

MEMBERSHIP

Membership enquiries have continued to increase with still a number not converting to applications. The Committee perceives the main reason for this is the high level of membership criteria expected of applicants.

What we have noticed is that the 'credit crunch' has stimulated a lot more estate and letting agents making enquiries about membership. This has to be encouraging in that other 'professions' in the property sector recognise the uniqueness and importance of ARMA where they are managing leasehold blocks. It is also worth noting that just under 39% of our membership are also members of the RICS.

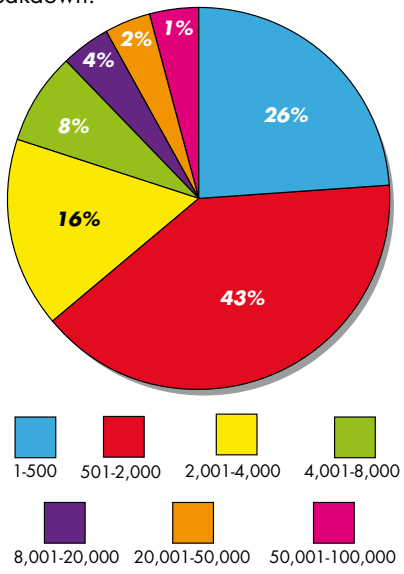
The 'crunch' has however had one unfortunate side effect in the form of a growing misuse of our logo. While, in a way, this fraud is flattering it is not acceptable and your Association is vigorous in stamping out the practice or pursuing prosecution through Trading Standards.



Laurence Read of Castlebar Management Ltd

On 14.9.09 Corporate Members had reached 225 with a further 22 applications in the pipeline, a total potential increase of 21% over the previous year. Recent requests for membership information are running at at least 2-3 per week.

ARMA represents the interests of small sole trader practitioners through to many medium sized firms and all of the largest property management groups. See chart for the breakdown:



In addition to Corporate Members there are now 74 Affiliates, principally made up of solicitors, accountants, housing associations, local authorities, freeholders and residents management companies.

COMPLAINTS

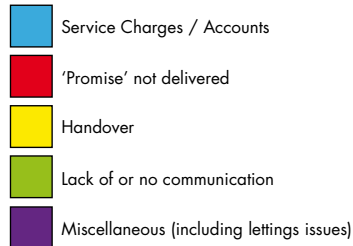
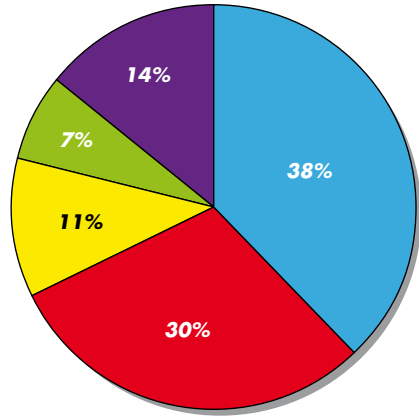
I am sorry to report that the number of complaints has noticeably increased during the year. The increase could be partially down to the increased membership and the larger total portfolio of ARMA members but we perceive there may be other reasons. Firstly the sociological impact of the recession may have heightened people's perception of their outgoings, including service charges, and increased their expectations of service standards. Secondly it could be that members are under greater pressure generally and thus service standards could be being affected. Thirdly, it may be the public's awareness of ARMA and its 'policing' role.

Whatever, even one complaint to ARMA is one too many, but the numbers we are now experiencing could damage ARMA's reputation and that of members. High standards are to be expected of members and the committee intends not to hesitate in addressing problems with members perceived to be falling below these standards. As a result a full review of our redress process is underway and your Practice Committee intends to propose even more stringent requirements regarding complaint handling.

During the year we received 281 'formal' complaints, an increase of 61%, but this still only represents 0.0003% of the flats managed

by the members. What is interesting is the split of complaints has not really changed from last year (see chart below).

Geraldine Shortall carries the main responsibility for dealing with complaints as well as handling members' queries, so I would particularly like to thank her for her unstinting efforts to keep all bases covered.



TECHNICAL COMMITTEE...

Chaired by Peter Dening FRICS FIRPM, Partner, Pennycook Collins

The committee's role is to provide technical guidance to members and their clients, and also their customers, lessees and this we are achieving with the assistance of John Mills, our technical consultant.

New guidance notes issued in the year included topics of management fees, the vexed subject of voids on new developments, lift maintenance and refurbishment and leisure facilities on schemes.



With nearly 80 guidance notes in existence there is a continuing need to update them and during the year 13 were revised and updated including the ones on debt recovery, headleases, digital switchover, the Companies Act 2006 and anti-social behaviour.

The committee also sees it has an important role in issuing information and advice to lessees and the unsung heroes, those lessees who act as directors of resident management companies. During the year we issued lessee advisory notes on how to handle anti-social behaviour, good practice in preparing resident management company accounts and management fees. We also set out in one advice leaflet some 35 sets of regulations and government initiatives that managing agents and resident management companies have had to deal with since 2002, to demonstrate the flow of regulations that affect the role of managing agents.



John Mills, technical consultant to ARMA

We have co-operated with other relevant organisations to issue guidance which is of joint interest. We assisted the Health and Safety Executive in drawing up an example risk assessment for common parts of blocks of flats. The example is posted on the website of the HSE. With the National Housing Federation we jointly published a booklet on the issues of flatted developments with mixed private and social housing-what we call mixed-

tenure developments. ARMA was invited to speak about this subject at a number of seminars for social housing landlords during the year. With the RICS we wrote a guide to the management issues on mixed commercial and residential leasehold developments which compared and contrasted the law and codes of practice for residential and commercial units.



ARMA is keen to improve the way that the conveyancing of leasehold flats is carried out and in particular would like to see a nationally agreed approach to the pre-contract enquiries used by solicitors for flats which are sent to managing agents and resident management companies. A national approach has not yet been achieved but the Devon and Somerset Law Society, one of the largest regional law societies, did agree to liaise with ARMA and a good model for pre-contract enquiries was agreed which both organisations now recommend to their members. ARMA was able to complement this initiative by issuing a lessees advisory note on the conveyancing of leasehold flats which makes clear the roles of landlords and agents in the process.

Finally the committee discussed and commented upon the progress of the long awaited accountancy regulations to implement the important parts of the 2002 Act to protect and account for service charge monies. ARMA

and account for service charge monies. ARMA has worked with the Institute of Chartered Accountants for England and Wales and Communities and Local Government on how these changes can best work in practice and we hope to see the regulations in force in the coming year; indeed it is hoped they can be discussed at this year's Conference.

EDUCATION COMMITTEE...

In the early part of the year under report Catriona Wadlow of Peverel Limited stood down as chair of this committee owing to work commitments. Her wise and knowledgeable input will be missed and the membership owes her a big vote of thanks.

As the current strategic work of the committee was complete it was decided that, for the present, no new chair be appointed; the tactical activities being dealt with by Geraldine Shortall advised by the remaining members of the committee.

Training courses have continued to be in demand. The one and two-day introductory courses were run throughout the year and the new Effective Service Charge Accounting

course proved particularly popular. New courses that have been run are:-

- TC12 Accounts Issues for Senior Staff
- TC13 The Company Secretary Matters!
- TC14 Rage is not confined to the road!
- TC15 "Building Your Future: Managing New Build"
- TC16 The Section 20 Practical Workshop
- TC17 Working with Contractors
- TC19 Subletting in Long Leasehold
- TC20 The conveyancing process and dealing with breaches

A total of 911 student places were booked with 34% being staff from non-members, these attendees paying a premium fee which, of course, helps to keep down the cost to members. Of the total places sold 359 were trained in-house with 21% of these students being non-members.

Our involvement with AssetSkills (the government funded skills council for our sector) showed a marked increase during the year. As a result the Block Management Open Learning Course has been converted into an electronic, online format which offers regular updates and a 'mini' mock exam for the Institute of Residential Property Management Part I examination.

We have continued with our webinars in conjunction with Brethertons. Members are finding these an extremely cost effective way of delivering 'tool-box' training in the workplace.

Last year we reported on the launch of our careers initiative in conjunction with the IRPM. Our work continues in this area both in terms of attracting graduates and non-graduates into our sector. In terms of the latter, we have been working with accountancy firm, Deloitte, and their 'employability' programme.

ARMA is there to provide services to its members and we see training as a key element. So do contact the Secretariat if you have training needs.



Geraldine Shortall, technical consultant to ARMA

FINANCE COMMITTEE...

Gerry Fox FRICS FIRPM, Head of Compliance, Peverel Property Management as Hon. Treasurer



Gerry Fox of Peverel Property Management

As ever, for ARMA to deliver the required services to its members and the public it is overwhelmingly reliant on membership subscriptions and on increasing the actual number of members.

It is pleasing to note that the Practice Committee has reported a further increase in membership which, combined with a small increase in the subscription rates, has resulted in another surplus in 2008/2009. This, of course, is substantially enhanced by the surpluses on the Annual Conference and training courses primarily generated by the premium charged to non-members for attending these events.

In summary the results for the year ended 30.4.09 and the members' funds as at that date are:-

		£
	Revenues	644,582
	Administrative expenses	<u>578,727</u>
	Operating Surplus	65,855
	Interest receivable and similar income	<u>12,211</u>
	Surplus on ordinary activities before taxation	78,066
	Tax on surplus on ordinary activities	<u>(2,564)</u>
	Surplus on ordinary activities after taxation	<u><u>£75,502</u></u>
		£ £
	Fixed assets	31,903
	Current asset	
	Debtors	30,041
	Cash at bank and in hand	<u>329,806</u>
	Creditors - amounts falling due within one year	<u>(94,557)</u>
	Total current assets less current liabilities	<u><u>£297,193</u></u>
	Members' funds	<u><u>£297,193</u></u>

The running costs of ARMA, as in previous years, have been contained within budgets and the Committee aims to ensure this continues in the future. However, the growing need to provide members with more support, technically and commercially, and provide a sustainable interface with the public means greater funding requirements are always needed. However, for 2009/10 it was decided there should be no increase in subscriptions in recognition of the current economic climate. The Association will therefore be relying on a further increase in membership and the ongoing surpluses from training courses and the annual conference for the current year.

The committee perceives that ARMA continues to be on a sound footing with 'reserves' available to invest in enhanced services to the members and to finance projects such as further developing the Association's website and strengthening the Secretariat.

THE SECRETARIAT AND PROMOTION...

As always it has been another very busy year for the Secretariat, and the team that work under the direction of the Chief Executive are again to be congratulated on their efforts and dedication to 'growing' the Association. In turn members also need to appreciate how much time members of Council and the Sub-committees give on a voluntary basis to move ARMA and the sector forward.

Phone, letter and email enquiries from members and the public alike have continued to flood in which indicates the ever growing importance and influence of the Association. ARMA has experienced a similar increase in terms of website visits. The most popular areas of our website are 'downloadable publications' and 'find a member'. Of course, the Members Only Area (MOA) continues to grow as enormous amounts of cross-referenced information has been added. In fact this information has grown to such an extent that work has started on a further enhancement of the site, to include a form of 'Google' search facility.

The Secretariat continues to have involvement with a wide range of trade, professional and governmental bodies. Probably the two involvements that have taken up so much of the Secretariat's time are the whole area of future regulation and the work on evolving the new CLRA 2002 requirement for holding and accounting for lessees' money.

This last year has seen real growth in Regional Briefings with record numbers attending events in Wakefield, Birmingham, Exeter, Southampton, and London. Our thanks to members for supporting these events and to John Mills and Tim Taylor who organised and hosted them.

The Secretariat is also involved with promoting the Association and its members to lessees, RMCs investor freeholders and developers, as well as seeking new members. During the year we continued a rolling mailing campaign to RMC directors explaining the benefits of using an ARMA member and offering the

directors DVD video / CD Rom at a special price for RMCs.

We have also held an initial meeting with investor freeholders looking at service standards and, of course, started our developer initiative with publication of our booklet 'Key management issues for new developments'.



The 2008 Annual Conference was yet again a sell-out with bookings reaching over 500 delegates with many more on the waiting list. As this Report goes to press it is pleasing to inform members that the event is again a sell-out, with well over 500 delegates.

The Conference has now long been recognised as the sector's event of the year and has become the focal point for the latest industry news and legislative updates, not forgetting that it is also the ideal opportunity for networking.

For more information about ARMA and our services visit:
www.arma.org.uk



Delegates being brought up to speed with the latest Acts and Regulations at the ARMA Conference 2008



A round of applause for the magician to finish off the 2008 Annual Dinner

AGM AND DINNER

The 2008 AGM was held at the Crowne Plaza Hotel, London, SW1 on 1.10.08, the day before the Annual Conference. The AGM was combined with a members-only briefing on key residential leasehold issues, followed by a wine reception and ARMA dinner.

The AGM is an important opportunity for members from all over England & Wales to come together and hear about ARMA's plans for the future and raise their own issues about the Association's governance and activities.

ARMA AWARD

The 2008 Award went to the Leasehold Reform Branch (LRB) of the Department of Communities and Local Government. The LRB had been and, at the time of going to press, is still working hard to amend the final provisions of CLRA 2002 to ensure they are fully fit for purpose.

CORPORATE MEMBERS & AFFILIATES... (AS AT 14.09.09)

Corporate Members

Abbott Management
 Adair Paxton LLP
 Adderstone Estate Management Limited
 Adelaide Jones
 Allsop Residential Investment Management Ltd
 Amax Estates and Property Services Ltd
 Amber Management
 Andrews Letting & Management
 APA Management & Lettings Ltd
 Appletons
 Arkleygate
 Aspect Property Management Limited
 Aston Rose

Atlantis Estates Ltd
 Ayling & Strudwick
 Banner Property Services Ltd
 Bartholomews
 BBM - Burkinshaw Block Management
 Belgarum Property & Management
 Bells Chartered Surveyors
 BK
 Blake Property Management Ltd
 Blenheims Estate and Asset Management Limited
 Blue Property Management UK Limited
 BNS Management Services
 Bourne Estates Ltd
 Bowood Commercial
 Boydens

Braemar Estates (Residential) Limited
 Bridgeford & Co
 BSC Management Services
 Buckingham Management Services
 Burns Property Management
 Bush Property Management Ltd
 Campsie
 Capital Property Management
 Carrick Johnson Management Services Limited
 Carringtons
 Carringtons Residential Management Ltd
 Castlebar Management Ltd
 Castleford (Poole) Ltd
 CastleKeys
 Castlereagh Management Limited

Caxtons Commercial Ltd
 Centrick Property Management
 Chainbow
 Chelsea Property Management Ltd
 Chesterton
 Chilton Estate Management Limited
 City Estates
 CJ Delemere International
 Clifford Dann LLP
 Cluttons LLP
 CMG Leasehold Management Ltd
 Colin Cohen Property Management
 Compton Property Management Ltd
 Concept Property Management Ltd
 Cotswold Property Management Services Limited
 Cottons
 Countrywide Managing Agents
 County Estate Management
 Covenant Management
 CPM Asset Management Limited
 Crabtree Property Management Limited
 Crown Property Management
 Curry & Partners
 Daniells Harrison Chartered Surveyors
 Dauntons Soar Residential Management Services
 Defries & Associates Ltd
 Denfords Property Management
 Derek Flack & Associates Ltd
 Dickinson Harrison Limited
 DMA Chartered Surveyors
 DMG Property Management Limited
 Douglas & Gordon Ltd
 Drivers & Norris
 E A Shaw Chartered Surveyors
 Eddisons
 Edgerley Simpson Howe LLP
 ERA Property Services Ltd
 Esskay Management Services
 Estate & Property Management Ltd
 F & S Property Management (Soton)
 F W Gapp (Management Services) Ltd
 Farrar Property Management
 Fell Reynolds
 Ford Property Services Ltd
 Fortune Management
 Foxes Property Management Limited
 Francis Butson & Associates
 Frank Bailey & Partners
 Freehold Property Services Ltd
 Fresson & Tee Ltd
 Fry & Company
 Galleons Point Management Ltd
 GCS Property Management Limited
 Gordon & Co (Property Consultants)
 Grace Miller & Co.
 Granville & Company
 Graves Son & Pilcher LLP
 Gray Property Management Ltd
 Hadrian Property Management Company Limited
 Hallmark Property Management Ltd
 Hamilton Townsend
 Harrods Estates Asset Management
 Heritage Management Limited
 Hillcrest Estate Management Ltd
 Hillsdon Management Ltd
 HML Andertons Ltd
 HML Hathaways Ltd
 HML Hawksworth Ltd
 HML Shaw Ltd
 Hobdens Property Management Ltd
 Homecare Property Management
 Homes & Watson Partnership Ltd
 Homestead Consultancy Services Ltd
 Hooper Naylor Friend
 House & Son Property Consultants Ltd
 Houston Lawrence Management Ltd
 Huggins Edwards & Sharp
 Hurford Salvi Carr Property Management
 Hydehead Ltd
 Ian Gibbs
 Investment Solutions
 Islington Properties Limited
 Itsyourplace Limited
 Jacksons
 Jakes Property Services Ltd
 JJ Homes (Properties) Ltd
 John Mortimer Property Management Ltd
 Jordan & Cook
 Judith Jones Property Management Ltd
 Kensington Flats
 Kinleigh Folkard & Hayward
 Labyrinth Properties Ltd
 Lambert Smith Hampton
 Lamberts Chartered Surveyors
 Langley-Taylor
 Leasehold Management Limited
 Lewis & Tucker
 London Residential Management Ltd
 M H Associates
 Mainstay Residential Ltd
 Managed Properties Ltd
 Management Accountants Ltd
 Manchester Residential Management Ltd
 Maunder Taylor
 May & Co Management Ltd
 Metro PM
 Michael Laurie Magar Ltd
 Minster Property Management Limited
 Napier Management Services Limited
 Nationspaces Developments Limited
 Northleach Property Management Ltd
 Now Professional Property Management
 Omnicroft Ltd
 Orchard Block Management Services Ltd
 Owens & Porter
 Oyster Estates
 P R Gibbs & Co Ltd
 Parkgate-Aspen Property Management
 Parkwood Management Company (London) Ltd
 Parsons Son & Basley
 Pembertons Residential Ltd
 Pennycuik Collins
 Peter Haddon Property Management Services
 Peter Overill Associates
 Peverel OM Limited
 Philip A Chapman
 Philip Laney & Jolly
 Pinnacle Housing
 Pinnacle Property Management Ltd
 PMS Leasehold Management Ltd
 Port Hall Property Management Ltd
 Portland Block Management Ltd
 Premier Estates Limited
 Prior Estates Limited
 Priors
 Quadrant Property Management Limited
 Qualitas Residential
 Rayners
 Realty Management Limited
 Rebbeck Brothers
 Red Brick Management
 Regalty Estates
 Rendall & Rittner Ltd
 Residential Block Management Services Ltd
 Residential Management Group Limited
 Revolution Property Management Ltd
 Ringley Chartered Surveyors
 RMC (The Residents Management Co.)
 RMD Properties
 Roger McMillan Properties Ltd
 Ross & Co

Royle Estates (Lancaster) Ltd
Rumball Sedgwick
Salter Rex
Scotts
Sheridan's
Sinclairs Block Management
Smith Waters
Solitaire Property Management Co Ltd
Spencer Lewis
St Andrews Bureau Ltd
St Anselm Property Management Ltd
Stevens Scanlan
Stiles Harold Williams
Stonedale Property Management Limited
Sutton Heights Management Services Ltd
The Flat Managers Ltd
The Guthrie Partnership
The Management
The Robinson White Partnership Ltd
Torbay Management Services Limited
Touchstone
Town & City Management Limited
Trinity Estates
Tyser Greenwood Estate Management Ltd
Urang Property Management Limited
Watson Property Management
West of England Estate Mgmt Co Ltd
Western Permanent Property
Westwood Building Management
White Druce & Brown
Worthing & District Estate Management

Chapel Court (Tewkesbury) Mgmt Co. Ltd
Chester Street Management Co (Shrewsbury) Ltd
Cheviot Housing Association Limited
CityWest Homes Limited
Clement Keys
Coastal Estate Management
Coleherne Court Maintenance Fund
Darnhills Limited
Deacon
DowlingDodd Property Management Ltd
East Thames Group
Elmbirch Properties plc
Emerson Management Services
European Land & Property Ltd
FMR
Gateway NI Property & Estates Management Ltd
Grainger Trust plc
Gray's Inn Estates Group Ltd
Griffin Homes
Grosvenor Estate Management Ltd
Grosvenor Systems Limited
Guardian Management Services
Guinness Midsummer
Hazlett Cox
Hillier Hopkins LLP
Homelets of Bath Ltd
ILECS Ltd
Interior Projects Ltd
John Needham & Co
Laceys Solicitors
Lampier Insurance Brokers
Lloyd Property Management
Lockton Companies International Ltd
Mariner Facilities Management Ltd
Omnia Estates Ltd
Ormerod Rutter Chartered Accountants
Pacific Wharf (London) RTM Company Limited
Peerless Properties (Oxford) Limited
Plummer Parsons
Plymouth Wharf Residents Association Ltd
Point West London Limited
Portumnus Property Services
Premier Management Partners Ltd
Property Debt Collection Limited
Qbit Property Management Ltd

Qube Global Software Ltd
Residential Land Ltd
Riverside Home Ownership
Royal Borough of Kensington & Chelsea TMO
Ruth Campbell Partnership
Sears Morgan Property Management Ltd
Servite Houses
SLC Solicitors
Southern Housing Group
Sovereign Housing Association
Tetra Consulting Ltd
The Crown Estate
The Gol Group
The Old Tisbury Brewery Management Company Ltd
The Portman Estate
Tilmore Developments Ltd
V & S (No.3) Ltd

- o -

Affiliates

Bank of Scotland Corporate
Blockmedia Limited
Bradbury Place Management Ltd
Brady Solicitors Limited
Bray House Management Limited
Brethertons Solicitors
Broadlands Estate Management LLP
Broomleigh Housing Association
Brunswick Property Services Ltd
Cadogan Estates Ltd
Cavendish Square Investments Limited
Chambers & Newman

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