



TOLLCROSS  
housing association

## Factoring Policy

Prepared By	Finance Director
Policy Created	November 2013
Date of Last Review	November 2013
Date of Current Review	November 2021
Date of Next Review	November 2024
Reviewed By	Management Committee

CORPORATE FIT	
Internal Management Plan	✓
Risk Register	✓
Business Plan	✓
Regulatory Standards	✓
Equalities Strategy	✓
Legislation	✓

On request, the Association can provide services for an interpreter, preferred method communication for those with hearing impairments and translation of all our documents, policies and procedures in various languages and other formats such as computer disc, tape, large print, Braille etc. These can be obtained by contacting the Association's offices.

# Tollcross Housing Association Factoring Policy (Cont'd)

---

## Contents

1. Introduction .....	3
2. Property management services .....	3
3. Repairs and maintenance services .....	5
4. Service administration .....	7
5. Service delivery .....	10
6. Communication .....	10
7. Complaints .....	11
8. Equalities .....	11

## **Tollcross Housing Association Factoring Policy (Cont'd)**

---

### **1. Introduction**

- 1.1 The Association (THA) presently provides a factoring service to over 500 home owners, sharing owners and shop owners within our area of operation. The majority of these customers own properties in blocks and developments where THA is also an owner, but we will consider providing the service to owners in blocks which are wholly privately owned.
- 1.2 This policy aims to outline the services which will be provided to our customers and the principles on which the property management service will be provided and reflects the terms of Section 14 of the Property Factors (Scotland) Act 2011.

In accordance with the Act THA:

- has registered with the Scottish Government as a Property Factor, effective from 1 November 2012 and has been allocated the Property Factor's Registration Number PF000261;
- will re-register every three years;
- will submit an annual update of factored properties and land to the Scottish Government.

THA will conduct its business in a manner that complies with all relevant legislation, in addition to the Act and will also meet the specific requirements of the Scottish Housing Regulator as set out in the Scottish Social Housing Charter.

The relevant legislation to be complied with includes:

- The Property Factors (Scotland) Act 2011
- Tenements (Scotland) Act 2004
- Title Conditions (Scotland) Act 2003
- Data Protection Act 2018
- The Equalities Act 2010

### **2. Property management services**

#### **2.1 The Association's role**

As the appointed factor THA provides a property management service within tenements for residential and commercial owners as well as estates where they include common ground or access roads.

The definition of a tenement for the purposes of this policy is a building comprising two or more flats that are owned or designated to be owned separately and which are divided from one another horizontally. Large houses converted into flats, high rises, four in a block and modern flats are also included within this definition as are blocks of flats with commercial properties (such as ground floor shops) in them.

Property management includes providing a maintenance, repair and management service for the building. It also includes estates where they include common ground or access roads (which have not been taken over by the local authority).

THA provides the following property management services:

- routine and cyclical maintenance, including inspection of, repair and renewal to the common parts;
- emergency repairs required to the common parts to ensure the health and safety of the occupants or public or the security of the property;
- one off authorised major repair work;
- co-ordination of payment for common electricity within the block;
- arranging buildings insurance;
- managing landscape maintenance and stair cleaning contracts.

## 2.2 Aims and objectives of the service

We aim to provide an efficient and effective factoring service to the owners within our area of operation and thereby help to maintain the standard of property available to residents.

It is also our intention to:

- clearly define the respective duties and responsibilities of both owners and THA;
- provide understandable information to owners about our factoring service;
- regularly monitor and review our factoring service;
- ensure value for money;
- encourage owners to participate in the factoring process and decisions that affect their properties.

## 2.3 Title Deeds and Deed of Conditions

The Title Deeds to a property give a variety of information in relation to the rights and responsibilities of owners. They may also say who owns the common parts of a building and outline each owner's obligation to manage and maintain them.

The Deed of Conditions included within the Title Deeds may specify:

- how decisions should be made;
- how costs are to be allocated between owners;
- arrangements for paying for maintenance and repairs.

Where the Title Deeds are silent, have gaps or are inconsistent, then the provisions of the Tenement Act will be applied.

## 2.4 Written Statement of Services

THA has a statutory obligation (as defined in the Property Factors (Scotland) Act 2011) to provide each homeowner with a Written Statement of Services (WSS), setting out in a simple and transparent way, the terms and service delivery standards of the arrangement in place between the factor and the homeowner.

The timescale for issuing and the contents of the WSS are as detailed in section One of the Code of Conduct for Property Factors.

## 3. Repairs and maintenance services

### 3.1 Common Repairs

THA will carry out all common repairs of which it has been notified. Repairs are carried out under three categories of repairs classified as (i) emergency; (ii) urgent and (iii) routine; the current target response times for the execution of repairs once reported and approved are:-

Emergency	-	six hours (to make safe)
Urgent	-	three working days
Routine	-	five working days

Please be aware that communal repairs, particularly external repairs may take longer depending on the nature and access required for the job.

Common repairs would include works to the following:-

- the roof,
- the close,
- the backcourt,
- the tenemental structure itself,
- anything else defined as communal in the Title Deeds.

Repairs for which the owner's share of the bill does not exceed the limits set out in the Deed of Conditions will be carried out without consulting the owner. Where the cost of the repair does exceed these limits, the repair will be discussed with owners prior to works proceeding, except in extreme emergencies.

### 3.2 Cyclical and major repairs

These are repairs carried out by THA over fixed periods of time to protect the property from falling into a state of disrepair. Types of repair covered by this category would include pointing of brickwork, close painting, roof works and gutter cleaning.

As with common repairs, consultation with owners will only be necessary where works exceed the limits laid out in the Deed of Conditions. THA would also expect payment arrangements to be put in place prior to high value works being carried out.

Documentation relating to any tendering process (excluding any commercially sensitive information) will be made available for inspection by owners.

### 3.3 Non common repairs

The Association is willing to carry out non communal repairs at the request of owners. This is discretionary and would be usually restricted to situations of a social nature, e.g. to assist elderly persons. The Association would normally seek payment in advance for this work.

Alternatively, the maintenance section can provide owners with the contact details for one of our approved contractors, so that the repair can be arranged on a private basis.

### 3.4 Other maintenance services

THA will provide a variety of other maintenance services of a common nature, including:-

- landscape maintenance;
- close door entry systems;
- TV aerial maintenance

THA will consider other services which may be considered from time to time. All suggestions from owners will be open for discussion with the Maintenance Section.

### 3.5 Inclusion of owners in the out of working hours emergency call-out service

THA provides tenants with a telephone number which can be used to arrange a contractor in the event of an emergency. The call is made to a call centre who will contact the contractor. This service is available to factored owners, where it is a common repair or is required for a fault that will affect other owners or tenants.

The out of hours service provides an emergency response only and does not include follow up work required. Any necessary follow up work will be carried out in normal working hours. The cost of any common repairs resulting from the call out will be invoiced in the next factoring account, with the costs being shared between owners in the close. Costs for non-common or internal repairs (undertaken in exceptional circumstances) will be charged back in full to the owner.

### 3.6 Review of contractors

An annual review of all maintenance contractors will be carried out by THA to ensure that prices charged are competitive and reasonable and that workmanship is up to standard. The review will also include obtaining evidence that the contractor has public liability insurance in place.

The outcome of the review will be reported to the Management Committee to ensure that the highest possible standards of repair are maintained and that value for money is achieved.

## 4. Service administration

### 4.1 Management fee

THA will charge a management fee for all factored properties. We have a fee for owners who receive their communications by post and a reduced fee for owners who receive their communications electronically.

The fee will be subject to annual review, be approved by the Management Committee, and will take account of management costs involved in providing services to proprietors.

Where a property changes hands during a six month accounting period, we will apportion the fee based on each owners period of ownership.

The management fee will be invoiced six monthly in advance and will cover the costs of:

- managing the service and responding to customer enquiries
- access to our common area repairs service for emergency, urgent and routine repairs
- pre & post inspections of common repairs, where appropriate
- arranging and managing contracts for services such as close cleaning and landscaping
- arranging, monitoring and supervision of our cyclical, reinvestment & improvement service
- collation of charge information and issuing of invoices
- collecting everyone's share of costs including debt recovery actions
- co-ordination of payment for common electricity within the block (such as stairlighting or power for door entry systems)
- arrangement & apportionment of buildings insurance
- maintaining ownership records
- inspections to monitor the cleanliness of your block
- arranging owners' meetings and arranging votes
- keeping our customers informed through our website, newsletters and other communications

#### 4.2 Issuing of accounts

Common charge accounts will be issued twice yearly in May and November, giving details of each owner's share of management and repair costs for the property. Repair charges will be invoiced in arrears, with the May invoice including repairs carried out in the period 1 October to 31 March and the November invoice including those carried out in the period 1 April to 30 September. The management fee and building insurance will be charged in advance. Other charges may be invoiced in advance, where THA is charged in advance.

Invoices will only be issued in the name of the property owner and not in the name of tenants who sub lease from the owner.

Every property factored will have its own account in the name of the owner within our housing management system and all invoices and payments will be processed through the appropriate account.

THA will accept payments on account in advance of bills being issued and will provide the opportunity to pay by direct debit, standing order, debit card, cheque, direct transfer or any payment method provided under the Allpay system.

#### 4.3 Buildings insurance

All owners will be encouraged to join the THA's block comprehensive Building Insurance Policy. In cases where the Title Deeds specify that the factor should arrange insurance this will be enforced, but if the Title Deeds are silent on this matter the owner will retain the right to hold their own insurance cover, provided the minimum level of required cover is in force. An annual review of the insurance cover held by proprietors not on the THA block policy will take place to ensure adequate buildings insurance is maintained.

On an annual basis we will provide, to every owner who participates in the scheme a summary of cover, together with details of the insurance premium due.

Unless instructed by the majority of homeowners, for the purposes of buildings insurance, property valuations will be uplifted annually in line with BCIS Rebuilding Cost Index. At least every five years the Association will appoint valuers to revalue stock for insurances purposes. Where a revaluation has been undertaken, this will be used for the next insurance quotation and the cost of the valuation will be split among owners in accordance with the Title Deeds



The insurance premium will be charged annually and be included on the invoice issued in May. If an owner sells his property during the period of cover, the final account will include a refund of the relevant portion of the insurance premium, calculated on a pro rata basis. The incoming owner will then be charged an equivalent amount in respect of the premium refunded.

No commission or other fees will be receivable by THA in connection with the block insurance policy.

THA will submit insurance claims on behalf of all owners in respect of damage to communal areas only. In cases where individual properties are involved, the owner will be responsible for submitting the claim.

On request we will provide details of how and why we appointed our insurance providers.

#### 4.4 Recovery of arrears

THA's policy is to restrict outstanding arrears and to recoup all monies owed as quickly as possible. Full details of the debt recovery process can be found in the Factoring Debt Recovery Policy.

#### 4.5 Change of ownership

THA requires 28 days' notice where an owner intends to sell their property and will require the following information:

- the property address
- the date of sale
- the purchaser's name(s)
- details of the purchaser's solicitor

Where the seller's solicitor has contacted us 28 days in advance of the sale we will make a charge (as agreed annually by the Management Committee) for the provision of the following information:

- the current outstanding balance including any Notice of Potential Liability for Cost or Decree we have in place;
- details of any repairs reported but not yet billed;
- details of any planned investment work under consideration and costs if available;
- buildings insurance information;
- an estimate of the retention required to be held by the solicitor on behalf of the seller.
- An estimate of annual charges for the incoming owner

The charge will be payable prior to us providing the requested information and will be increased by fifty percent where the required 28 days' notice has not been provided.

After properties change ownership, THA will apportion all common charges and bills outstanding and will aim to issue the final account within six weeks but no more than three months of THA being made aware of the actual date of change in ownership (the date of settlement) unless there is a good reason not to (for example, awaiting final bills relating to contracts which were in place for works and services or the property factor has not been provided with the specified period of notice informing them of the change in ownership).

#### 4.6 Estate management

All queries relating to disputes with neighbours (e.g. failing to do stair cleaning) or concerns about the physical condition of the area should be notified to THA. Staff will advise owners on the steps that THA will take to remedy problems or inform owners what action they themselves should take.

### 5. Service delivery

#### 5.1 THA will deliver the factoring service as follows:

- The Finance Director will be responsible for the delivery of the factoring service, including monitoring and reporting on its performance against Key Performance Indicators to THA's Management Committee.
- Finance Staff will deal with factoring enquiries of a financial nature, change of ownership, the recovery of factoring debt and issuing invoices.
- Technical staff will deal with factoring enquiries in relation to all repairs and identify and process common, cyclical and major works, including notification and consultation with owners. Technical staff will also be responsible for monitoring the landscape maintenance contract and dealing with enquiries in relation to this service.
- Housing Management staff will deal with factoring enquiries in relation to all estate management issues.

#### 5.2 For the purposes of the Scottish Property Factor Register, the Chief Executive and the Finance Director will be nominated as the responsible persons for THA.

### 6. Communication

#### 6.1 THA will communicate with owners using the following means:

- direct correspondence, email, telephone and text;
- THA newsletter;
- THA website;
- individual and public meetings;
- fliers or promotional information from other agencies which may be of interest to owners.

## **Tollcross Housing Association Factoring Policy (Cont'd)**

---

6.2 THA will provide information which is not false or misleading and will not communicate with owners in any way which is abusive, intimidating or threatening. We will however give reasonable indication where we intend to take legal action.

### **7. Complaints**

7.1 THA has a clear written procedure for dealing with complaints which outlines the steps we will take when an owner is dissatisfied with any aspect of our service.

7.2 THA will not charge for handling complaints and will keep a written record of all complaints received and their outcome.

### **8. Equalities**

8.1 An Equality Impact Assessment (EIA) has been carried out when reviewing this policy. In line with good practice the completed EIA will be published alongside FactoringPolicy.

8.2 Where there is a need for follow-up action, the tasks and timeframe for achieving them shall be noted in the Equality and Human Rights Action Plan to ensure they are addressed.

8.3 We do not see this policy as having any direct impact upon the protected characteristics contained within the Equality Act 2010.