Cassiltoun
Housing Association

FACTORING POLICY

Date Approved	Proposed Review Date
March 2025	March 2028
Chair Person/Office Bearers Signature:	

CASSILTOUN HOUSING ASSOCIATION LIMITED
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Cassiltoun Housing Association is a recognized Scottish Charity SC035544
Cassiltoun Housing Association is registered with the Scottish Government As a Property Factor PF000154

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1. Introduction

This policy sets out the principals behind which Cassiltoun Housing Association will operate its factoring service.

The Association first registered as an approved property factor with the Scottish Government on 19th December 2012 and completes an annual renewal as detailed within the Register of Property Factors (Registration No. PF000154) and is also a Registered Social Landlord with the Scottish Housing Regulator and with OSCR as a Scottish Charity (SCO3554).

The Factoring service will provide a wide range of professional services to owners living in shared occupancy buildings.

The underlying aims of providing the service is to ensure that the fabric of buildings and common areas are maintained.

The Factoring service is located within the Technical Team and is managed by the Head of Asset Management supported by the Technical Team.

2. Legislation, Good Practice and Regulation

Factoring services are governed by a wide range of legislation. The most recent being the Property Factor's (Scotland) Act 2011, which incorporates the Code of Conduct for Property Factors. The Code was revised and published effective from 16th August 2021.

2.1 Legislation

- Data Protection Act 2018 (GDPR)
- Housing (Scotland) Act 2014
- Procurement Reform (Scotland) Act 2014
- Property Factors (Scotland Act) 2011
- The Equality Act 2010
- Housing (Scotland) Act 2010
- Housing (Scotland) Act 2006
- Tenements (Scotland) Act 2004
- Title Conditions (Scotland) Act 2003
- The Abolition of Feudal Tenure (etc.) (Scotland) Act 2000

Under Section 14 (5) of the Property Factors(Scotland) Act 2011, the Association must ensure compliance with the Factor's Code of Conduct published on 1st October 2012 (revised in August 2021) a copy of which can be found on the Scottish Government website:- https://www.gov.scot/publications/property-factors-scotland-act-2011-code-conduct-property-factors-2/documents/.

Any decisions by the First Tier Housing Tribunal in relation to the Association's compliance with the Code of Conduct or its duties under Section 17 (5) of the Property Factors (Scotland) Act 2011 are publicly available and published on the First Tier Tribunal fort Scotland (Housing and Property Chamber) website.

All Property Factors must register with the Scottish Government which the Association did in December 2012 and must provide a Written Statement of Services detailing:-

- Authority to Act
- Major Works
- Services Provided
- Financial arrangements

- Repairs Service
- Declaration of Interests
- Owners Obligations
- How to end the arrangement.
- Compliments and Complaints
- Compliance
- Communications
- Contact Information
- General Data Protection Regulation (GDPR)

The basis for the Association's authority to act as the factor for a block is detailed in **the Written Statement of Services which is issued to each factored owner for each property that they own.** The Deed of Conditions for each property sets out the payment shares (apportionment) and the way in which the management of the common areas will be carried out.

The Association will operate its Factoring Service in accordance with the Code of Conduct for Property Factors.

2.2 Good Practice

- Factoring Services in Scotland (Scottish Housing Regulator)
- Management & Maintenance of Common Property (Scottish Government)
- Factoring Guidance 2015 (Scottish Federation of Housing Associations)
- Code of Conduct for Property Factors (Scottish Government)
- Glasgow Factoring Commission Report (2014)

2.3 Regulation

Section 31 of the Housing (Scotland) Act 2010 introduced the Scottish Social Housing Charter which sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. The Scottish Housing Regulator monitors social landlords' compliance with the Outcomes. The Association's Factoring Policy will take account of and comply with the relevant Outcomes contained within the Social Housing Charter. These are:

- Outcome 1 - Social landlords perform all aspects of their housing services so that every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.
- Outcome 2 - Social landlords manage their businesses so that tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.
- Outcome 3 - Social landlords manage their businesses so that tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.
- Outcome 6 - Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that tenants and other customers live in well-maintained neighbourhoods where they feel safe.
- Outcome 13 - Social landlords manage all aspects of their businesses so that tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay

- Outcome 14 - Social landlords set rents and service charges in consultation with their tenants and other customers so that a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them.

The Scottish Housing Regulator has a Regulatory Framework, which all Scottish registered social landlords must meet. This policy is aligned to Standards 1, 2, 3 and 5 of the SHR's Regulatory Framework:

- Standard 1 - The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- Standard 2 - The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.
- Standard 3 - The RSL manages its resources to ensure its financial well-being and economic effectiveness.
- Standard 5 – The RSL conducts its affairs with honesty and integrity.

2.5 As landlord and factor, Cassiltoun Housing Association accepts the responsibility for providing a range of services for all the properties under its control.

2.6 The costs involved in providing a factoring service will be borne in the first instance by the Association and then recharged to the appropriate owners. The exception to this is Major Repair works when payment in advance of the work commencing will be required. When planned common works (e.g. gutter cleaning) are identified by the Association, we shall either:-

- If the costs are below the Association's delegated authority as contained within the Deed of Conditions, the Association will notify all affected residents, advise the nature of the works and any costs, to provide owners with an opportunity to plan for this area of expenditure. We will also advise owners of any available grants or possible cover through building insurance.
- If Major works are likely to be in excess of the Association's delegated authority the Association will consult with all the owners in the block. Each owner in the block will have a vote including the Association.

3. Policy Objectives

The Objectives of this policy are to ensure that the Association:-

3.1 Maintains registration as a Property Factor

3.2 Maintains an accurate and up to date portfolio list on the Property Factors Register

3.3 Develop, implement and review a suite of procedures to ensure legal compliance.

3.4 Issue detailed information about charges via itemised invoices.

3.5 Has a clear and transparent approach to setting and revising management fees which demonstrates that costs are accurately identified, apportioned and recovered. Annual Reviews of operating costs will inform any management fee changes, which will be notified to owners in accordance with their Written Statement of Service.

3.6 Account clearly for monies held on behalf of owners including advance payments for major repairs works.

3.7 Takes appropriate action to recover monies due and prevent the accumulation of high arrears. This will be carried out in accordance with the Policy and Procedure for the Debt Recovery of Factored Properties.

3.8 Provide Owners with the opportunity to participate in the Association's decision making processes in relation to factoring, promote owners meetings/forums and to encourage owners to join the Community Advisory Panel.

3.9 Conduct regular customer satisfaction surveys on a minimum 3 year basis.

3.10 Devise and implement action plans in response to consultation findings.

3.11 Provide owners with relevant good quality information in accessible formats including Written Statements.

3.12 Inform owners about the impact of their feedback on service delivery improvements.

3.13 Implement, maintain and use efficient operating systems and digital communication.

3.14 Monitor and report performance on the Factoring Service.

4. Factoring Services

The Association provides a comprehensive property management service which includes the following services.

4.1 Staffing

The Factoring Service will be administered by the Technical Team under the direction of the Head of Asset Management .

"Overall responsibility for delivering Factoring Services will be led by the Head of Asset Management supported by the Asset Manager who will ensure that the day to day management functions of the Factoring Service are carried out by the Technical Services Assistant"

The Asset Manager will be responsible for:

- Overseeing the day to day running of the Factoring Service
- Providing the reports on the Service for the Head of Asset Management to present to the Board of Management .
- Former account reviews.

The Asset Manager supported by the Technical Officer will responsible for:

- Organising of the cyclical and major repair works including quality control
- Common Inspections
- Insurance claims.

The Technical Assistant will be responsible for:

- Account management including quarterly billing for common repair works, cyclical and major repair works and debt management.

4.2 Building Insurance

4.2.1 One of our legal responsibilities that we have as a factor for those persons living in tenemental properties, as set out in the deed of conditions, is the provision of common block buildings

insurance. The Deed is designed to protect everyone's interests and ensure that all properties in the block are covered in the event of an insured act such as fire or storm damage. Title Deeds will likely require to participate in the block building insurance policy.

4.2.2 Where the Title Deeds permits owners to take out their own building insurance for their property, they will be required to provide evidence that the insurance is in place and covers a share of the common parts of the building. The Tenement (Scotland) Act 2004 provides that insurance is compulsory for all flats within a tenement. The Act stipulates that the duty of individual owners is to insure their property for the reinstatement value and not the market value. This is an absolute requirement irrespective of any provisions in the title deeds

4.2.3 Homeowners must ensure that in the event they are permitted to arrange their own building insurance, that this includes the reinstatement of the common property. Otherwise the homeowner may be liable for work costs not covered by their insurance cover and they are obliged to maintain the annual premiums for such insurance cover.

4.2.4 The Association's buildings insurance is renewed annually, the terms are available from the Association on request. The policy runs from 1st April to 31st March each year and will be automatically renewed by the Association for as long as we provide factoring services to your block. The Association uses the service of an Insurance Broker to ensure value for money when procuring insurance services. The policy is a block policy covering all our wholly owned and factored stock and is fully comprehensive.

4.2.5 The Association will provide an annual summary of cover demonstrating:

- the annual premium and how this is calculated
- the sum insured
- the premium paid
- type of policy cover
- Insurer

The Homeowner for their apportioned share and details of the above should refer to **their Written Statement of Services**.

4.2.6 New owners of existing property(s) factored by the Association are provided with a Summary of Cover of the Insurance Schedule and Written Statement of Services Part 2 Schedule annexed when they take ownership of the property.

1.2.7 Owners of new closes to the Association's factoring service are also given a Summary of Cover of the Insurance Schedule with the initial paperwork sent out to owners enquiring about our services. A copy of the Summary of Cover of the Insurance Schedule is available on request from the Association's offices.

1.2.8 The Association does not earn any commission or administration fees from its dealings with the Insurers and we have no financial interests with the Insurers. The Insurers also provide insurance cover for the Association's rented stock under the same block buildings policy.

1.2.9 The Association does not provide house contents insurance; however, it is advisable for all owners to arrange to have this cover.

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4.3 Common Repairs

The Association aims to provide a prompt and efficient **common** repairs service. The main benefit of participating in the factoring service is that common repairs can be ordered and carried out promptly without the need to get prior agreement between residents. These repairs will be managed in line with the Association's current repairs policies. Consent levels contained within the Deed of Conditions are for £2,000 per repair which can be carried out without first consulting the owners concerned. Repairs above this level will require consultation to take place.

Repairs covered under the heading 'common' include the following:

- The roof - which includes all slates or tiles, timbers, the loft space, roofing felt, flashing's, leadwork, gutters, parapets, chimney heads and chimney stacks
- External stonework (where this is defined in the title deeds), roughcast, brickwork and gable end (where the tenement is not adjoined by another tenement).
- Downpipes
- The rising cold-water main pipe on your side of the building
- The common close and staircase including steps, bannisters and balustrades
- The front steps and any porticos or decorative entranceways
- External steps, balustrades and wrought iron works
- A controlled entry door and common electrical circuitry
- Close tiles and/or plasterwork
- A rear close door or gate, any stairs leading to the backcourt and any rear close access areas
- All parts of the back court including fences, railings, gates, bin stores or bin shelters, common drying areas including washing poles, grassed or earthed areas, gravel beds and hard standing areas; retaining walls
- Drains and underground pipes
- The solum and foundations
- Gable wall

The Deed of Condition for each property will confirm precise details.

Repairs are classified as either emergency, urgent or routine. An emergency repairs service is in operation out with office hours. Owners must be sure when calling out emergency contractors that the repair is of a common nature and is an emergency, otherwise the owner will have to meet the full costs of the call out.

4.4 Cyclical & Planned Repairs

Planning ahead is a key part of the factoring service, regular preventative maintenance will prove worthwhile over the longer term and ensure that the properties do not fall into disrepair, remaining a safe and attractive place to live. Where works are planned we will notify owners prior to works being carried out. . Consent levels contained within the Deed of Conditions are for £2,000 per repair which can be carried out without first consulting the owners concerned. Repairs above this level will require consultation to take place. Owners will only be invoiced once the work has been completed to the satisfaction of the Association.

These repairs include:-

- Annual Gutter Cleaning
- Bi-annual jet washing of back courts
- Annual water hygiene inspections

4.5 Billing

The quarterly invoice will include the following details:-

- The nature of work carried out.
- A breakdown of the total cost which will also show the VAT charge.
- A breakdown of each individual owner's cost.

4.6 Individual Works to Private Houses

Where requested, the Association will provide verbal advice and guidance to owners in situations where non-communal repairs are involved.

All internal repairs are the responsibility of the owner.

4.7 Property Inspections

Backcourts, common closes and entrance paths will be regularly inspected by the Association's staff team with inspection forms completed and kept for audit purposes.

Roofs will be inspected annually as part of the cyclical gutter cleaning programme and repairs authorised as required.

Communal Attic Tanks will be inspected on an annual basis as part of the cyclical legionella programme.

4.8 Common Estate Service

The Association provides a fully comprehensive Estate Management Service to ensure that the common areas are regularly inspected and maintained to the highest possible standard.

The Estate Services provided are recharged to owners in line with their Title Deeds and include:-

- Backcourt and Garden Maintenance Service
- Common Grounds
- Close Cleaning & Common Window Cleaning

The Close Cleaning & Common Window Cleaning contract can be opted out of where the majority of the owners in the close vote in favour of this.

4.9 Disputes

Where there is a complaint about the management of the factoring service this will be dealt with through the Associations complaints policy.

Where a dispute arises over the maintenance or improvement of the property the Association will refer the decision to an independent surveyor who shall decide on the most appropriate course of action. This will only happen where the costs of the maintenance/improvement works exceed £5,000. Where the costs are anticipated to be below £5,000 the factors decision will be final. The costs of the independent surveyor will be met by the factored owners. The decisions made will be binding on the factored owners within the building.

Should the Association be unable to resolve the dispute or complaint the owner may then refer to the First Tier Tribunal for Scotland (Housing & Property Chamber).

5. The Management Fee

The costs associated with providing the Factoring service forms the Management Fee and is reviewed annually as part of the Association's budget setting process. Owners will be notified in writing in February of each year of the increase for the following year. The Association aims for the factoring service to be self-

financing therefore all costs incurred by the Association in providing the factoring service must be passed onto the factored owners. The Management Fee charged to factored owners covers:

- All property Management and estate maintenance administration.
- All communication with owners including written statement of services, regular newsletter and annual report.
- Procuring, arranging and monitoring cyclical contracts including back court/common maintenance works and close cleaning services.
- Customer Services ensuring that owners can report a repair or discuss factoring issues with relevant staff members.
- Administration of Building Insurance, premiums and claims.
- Quarterly Invoicing.
- Copy Invoices (this may incur a charge).
- Property Inspections and advisory service.
- Pre-inspection of works where requested and post inspection of 10% of repairs per month across the entire management portfolio.
- Debt recovery.
- Owner consultation and close meetings as and when required.

6 Major Works

Where major works are planned (works over £2000 per close) the factored owners will be responsible for any administrative charges to pay for the contract preparation and supervision. These will be variable at cost depending on the specialised services required and the level of administration required of the Association.

7. General Information

Lenders and Solicitors

The Association will liaise with Banks, Building Societies and Solicitors to assist owners when they are selling their property. Any factoring debts will be recovered from the proceeds of the sale. There may be a charge for the information provided.

8. Payments

Invoices will be issued quarterly in arrears immediately after the quarter end. If the invoice is not paid, the Association will refer to the Factored Owners Debt Recovery Policy.

Invoices will be issued covering the following periods:

- 1st April to 30th June
- 1st July to 30th September
- 1st October to 31st December
- 1st January to 31st March

Payment is due by the 28th of the month in which the invoice was issued.

8.1 Invoices & Receipts

The Association will keep detailed records of all works ordered.

Owners can (on request) inspect any invoices or receipts for work which they have been charged.

8.2 Arrears Procedure

Owners are requested to settle their accounts by the 28th of the month in which the invoice was issued. Where arrears accrue the Association will refer to the Factored Owners Debt Recovery Policy and Procedure.

8.3 Former Owners Arrear and Credits

Where an owner leaves their property and there is an arrear or credit on the account, these accounts will be reviewed annually in order to asses if the arrears are recoverable or require to be written off and the case of credits whether the Association is able to contact the owner to advise them of the credit and how they would like it paid to them. All accounts should be assessed individually considering:

- Is there a forwarding address for the owner?
- Cost of tracing former owner
- Cost of pursuing debt v actual debt

Before any account is written off Board Approval must be sought.

9. Change of Ownership

Owners must ensure that their solicitor notifies the Association of any changes in ownership of their property. The owners' solicitors should provide the following details:

1. Name of new owner

2. Date of settlement

3. Solicitor acting on new owner's behalf

The Association will then apportion the charges on completion of the sale and issue a final invoice to the outgoing owner's solicitor for settlement. A sale administration fee will be applied to the final invoice.

10. Reporting

Reports will be presented to the Board of Management and will include:-

- The number of accounts issued
- The value of work invoiced in period
- The value of outstanding accounts (arrears against target)
- Details of legal action being pursued

11. Equal Opportunities Statement

We recognise our pro-active role in valuing and promoting diversity, fairness, social justice and equality of opportunity by adopting and promoting fair policies and procedures. We will check this policy and associated procedures regularly for their equal opportunity implications, taking appropriate action to address inequalities likely to result or resulting from implementation of the policy and procedures. We are committed to providing fair and equal treatment to all applicants and tenants and will not discriminate against any on the grounds of race, colour, ethnic or national origin, religion, age, gender sex, sexual orientation, marital status, family circumstances, employment status or physical ability.

12. Processing Information – General Data Protection Regulations

Cassiltoun Housing Association will process information and data contained within the information that we receive in accordance with its Policies and Procedures relating to the General Data Protection Regulations and all applicants will be issued with a Fair Processing Notice.

All staff members will be made aware of their responsibilities in relation to the General Data Protection Regulations and will be trained in the process that the Association has introduced to ensure compliance with GDPR.

13. Complaints

Cassiltoun Housing Association operates a Complaints Policy that is open and transparent. Should any customer or service user feel the need to make a complaint against an individual or the organisation, the complaints policy and procedure will be implemented. If the Association is unable to resolve the customer's complaint they will then be referred to the First Tier Tribunal for Scotland Housing and Property Chamber..

14. Information & Consultation

The Association will keep all factored owners informed of its activities through a variety of methods including:

- Owners factored by the Association will receive a copy the Written Statement of Services and will also receive copies of newsletters and annual report.
- Owners factored by the Association will be invited to join groups set up by the Association to monitor its performance e.g. Estate Action Group, Scrutiny Panel
- The Association or its factored owners will arrange ad hoc meetings regarding the factoring service.
- Regular reports will be presented to the Association's Board of Management on the activities carried out to factored property.

15 Policy Review

This policy will be reviewed every three years or earlier if changes are required.