



Cassiltoun Housing Association

FACTORING POLICY

Date Approved	Proposed Review Date
January 2021	January 2024
Chair Person/Office Bearers Signature:	

CASSILTOUN HOUSING ASSOCIATION LIMITED
Castlemilk Stables, 59 Machrie Road, Castlemilk, Glasgow G45 0AZ

Registered Scottish Charity no 035544

1. Introduction

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

The Association is registered as an approved factor with the Scottish Government as detailed within the Register of Property Factors (Registration No. PF000154).

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 will be to provide a safe, high quality living environment for all occupiers and visitors, ensuring that the fabric of buildings and common areas are maintained to a high standard.

The factoring service is located within the Operations Department and is managed by the Director of Operations, supported by the Housing Manager (Property) and the Operations 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 new Code of Conduct for Property Factors.

2.1 Legislation

- Housing (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

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

- Authority to Act
- Services Provided
- Financial and charging arrangements
- Communication arrangements
- Declaration of Interests
- How to end the arrangement.

In the majority of cases the Authority to Act is detailed in the Deed of Conditions which also sets out the payment shares 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 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 six Regulatory Standards, which all Scottish registered social landlords must meet. This policy is aligned to Standards 1, 2, 3 and 5 of the SHR's Regulation 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. Where planned common works are identified by the Association, we shall notify all affected residents to advise of the nature of the works, whilst advising any home owners of costs, so as to provide owners with an opportunity of planning for this area of expenditure. We will also advise owners of any available grants or possible cover through building insurance.

3. Policy Objectives

The Association aims to provide an efficient factoring service and value for money for owners in factored properties by:-

- Managing the factored properties and estates effectively.
- Ensuring that debts and operating costs are pursued fairly in accordance with agreements and the Factored Owners Debt Recovery Policy.
- Monitoring and reporting performance of the factoring service quarterly.
- Ensuring an effective dialogue with owners is maintained.

4. Factoring Services

The Association will provide each customer with a Written Statement of Services which will detail the terms and service delivery standards of the arrangement in place between the homeowner and the Association. The Association has the Authority to Act as Property Factor due to the following reasons. The Association was:-

1. Named as factor in the Title Deeds.
2. Appointed when we took over the ownership and management of the ex GHA stock in March 2009.
3. Appointed directly.
4. Already the factor for the block at the time that the property was purchased.

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

4.1 Staffing

The Factoring Service will be administered by the Operations Team under the Direction of the Director of Operations.

The Housing Manager (Property) will be responsible for:

- Overseeing the day to day running of the Factoring Service

- Providing the bi-annual reports on the Service for the Director of Operations to take to the Board.
- Former account reviews.

The Technical Officer/Senior Technical Assistant 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 billing for common repair works, cyclical and major repair works and debt management.

4.1 Building Insurance

- 4.1.1 The Association has a legal responsibility as a Property Factor and as set out in the deed of conditions to provide buildings insurance. The Deed is designed to protect everyone's interests and ensure that the block is always fully covered in the event of an insured act such as fire or storm damage. An owner cannot opt out of block building insurance cover – it is a legal requirement
- 4.1.2 Owners are obliged to maintain the annual premiums for such insurance cover.
- 4.1.3 The Association will seek to obtain best value when arranging block policy insurance. The policy cost will be charged quarterly in arrears to owners.
- 4.1.4 A summary of the Insurance Policy will be issued annually to all factored owners which will explain what is and is not covered by the Policy and any excesses which apply.
- 4.1.5 The Association does not provide house contents insurance; however, it is advisable for all owners to arrange to have this cover.

.4.2 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.

4.3 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

4.4 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.

Where the owner is elderly or vulnerable the Association may arrange non-communal repairs at the request of proprietors. Owners would be fully responsible for any bills that result. The Association will normally require a 50% payment towards the cost of these works to be paid for in advance and for the owner to have no factoring arrears.

4.5 Property Inspections

Backcourts, common closes and entrance paths will be carried out on a quarterly basis by the Operations 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.

4.6 Maintaining Common Areas

The Association will offer the following services at a cost to factored owners:

- Grass cutting
- De-littering
- Backcourt maintenance
- Close cleaning
- Common Window cleaning

Where the majority of factored owners are in favour of the arrangement then the close will be added to the contract. The additional costs will be added to the factoring account quarterly. Where the Association considers that the level of cleanliness or maintenance is below an acceptable standard due to non-participation it will arrange one off cleaning which will be recharged and treated as a common repair.

4.7 Savings Fund

The Association may offer a service that includes a requirement to pay an up-front charge into a repairs fund. This will minimise any unforeseen bills for factored owners.

Where the Association foresees a large item of expenditure it may agree with owners to set up and administer a fund to save towards the cost of the major repair or improvement.

4.8 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 £5000. Where the costs are anticipated to be below £5000 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 Homeowner Housing Panel.

5. The Factoring Service Costs

The Association provides a comprehensive property management service which includes the full maintaining and inspection service to the common areas. The costs associated with providing these services will be 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:

5.1 Full Maintenance & Inspection Service

- The annual inspection
- Pre and post inspections of repairs
- Tendering and contract preparation for responsive and cyclical repairs
- Selection of contractors and liaising with contractors
- Account administration and debt collection
- Service user consultation
- Copies of our newsletter
- Copy of our annual report
- Administration of insurance claims
- Management of asbestos

5.2 Common Repairs Administration

The administration of common repairs is covered by the Management fee. Owners will only be charged for a proportionate share of any repair work carried out which once completed will be added to the next quarterly bill. The share apportionment for common repairs is normally stipulated within your Deed of Conditions.

If the title deeds do not state how the ownership should be split up then costs will be apportioned equally between occupiers.

5.3 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.

6. 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.

7. Payments

Invoices will be issued quarterly in arrears immediately after the period end , with reminders/final notices being issued at weekly intervals. If still unpaid, the Association will refer to the Factor 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. Copies of invoices will be issued along with factoring accounts for reactive day to day repairs.

For ongoing cyclical and planned works such as grass cutting no copy invoice will be issued. Owners can inspect any invoices or receipts for work which they have been charged for at the office.

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 bi-annually in order to assess 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. Sale of Property

Owners currently factored by the Association are required to notify the Association when they sell or dispose of their property. Owners' solicitors should inform the Association of the following details:

1. Name of new owner
2. Date of settlement

3. Solicitor acting on new owner's behalf

Owners should remember that where outstanding debts are held there may be difficulties in trying to sell the property. The association will not co-operate with solicitors' requests or in any matter regarding a sale if there are outstanding arrears.

10. Reporting

Bi-monthly reports will be presented to the Board of Management and made available to all factored owners. These 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 Homeowner Housing Panel.

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.

14. Policy Review

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