FACTORING POLICY

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Craigdale Housing Association can provide this document on request, in different languages and formats, including Braille and audio formats.

1.0 INTRODUCTION

This policy sets out the principles behind which Craigdale 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 managed by the Corporate Manager and supported by the Housing Services Section.

2.0 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.

3.0 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.

3.1 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.

3.2 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)

3.3 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.

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

3.5 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 homeowners 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.

4.0 FACTORING SERVICES

4.1 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 directly.
3. 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.

4.2 Management Fee

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:

4.3.1 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.

A register of all properties not included within the Association's block policy will be maintained on the IT system. Information held will include:

- The homeowner's lender
- The sum insured
- Alternative insurance company details
- Policy renewal date

The Association will request up to date summaries of cover on an annual basis from all homeowners whose properties are not included on the block policy. Any homeowner who fails to produce proof of cover will be included on the block policy and charged premium costs until such time as documents are produced.

4.3.2 The Association will seek to obtain best value when arranging block policy insurance. The policy cost will be charged annually in arrears to owners.

4.3.3 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.

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

4.4 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 is £1,000.00 per owner 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 'common' heading 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.

4.5 Individual Works to Private Houses

Where a homeowner or the tenant of the homeowner contacts the Association during emergency hours, the homeowner or tenant will be re-charged for the call-out and any subsequent repairs and material costs to repair the problem. It will be a requirement that a mandate from homeowner/tenant agreeing to pay costs is signed prior to commencement of works

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.

4.6 Cyclical Repairs

To allow all residents to live in well managed and maintained housing, the Association will ensure that the estate management services are planned, implemented, regularly inspected to the highest possible standard and that estate management issues are acted upon immediately.

Consent levels contained within the Deed of Conditions are £1,000.00 per owner, 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.

The Cyclical Service provided to homeowners includes:

Service Charges:	Relate to charges imposed by Scottish Power and Glasgow City Council for door entry, stair lighting and tv amps.
Garden Maintenance:	The grass areas are cut, the shrub beds weeded and de-littering of all common areas.
Environmental Maintenance:	Relate to de-littering, bulk removal, bin store cleaning, airspace cleaning, sweeping of backcourts etc.
Stair Cleaning Services:	The common stairs are brushed and washed once per week, the common glass and tiles washed once per month.

4.7 Planned Maintenance

The Association has an extensive annual planned maintenance programme which involves inspection and repair works to common items like electrical inspections, external painting of soffits, fences, clothes poles, internal painting of common closes etc.

The Association will endeavor to notify homeowners prior to the commencement of works detailing the sums involved.

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4.8 Major Repairs

This relates to works to replace or repair building components which have come to the end of their economic life or which are defective. Major repairs might also be needed as a result of changes in the law or building regulations and are mainly one-off contracts such as renewing roofs.

In circumstances where major component replacement is required, the Association will advise homeowners in advance of:

a) Scale of work
b) Planned timescales
c) Likely costs

Where major works are planned (works over £1,000.00 per owner) the 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 specialized services required and the level of administration required of the Association.

4.9 Estate Management Inspections

Estate management is carried out to allow all residents to live in well managed and maintained to the highest possible standard.

Backcourts, common closes and entrance paths will be carried out on a monthly basis by the Housing Services 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.

All complaints will be treated in confidence and in a professional manner with appropriate action taken.

In the case of Absentee Landlord, the following will apply:

- In the event of a complaint against the tenant of the Absentee Landlord, a letter will be sent to the tenant.
- Should there be no response/action undertaken by the tenant, a letter will be sent to the Absentee Landlord. In this circumstance, an administration charge of £30.00 will be recharged to the Absentee Landlord.
- Should there be no response/action undertaken from the Absentee Landlord, the Association will instruct its Solicitor's to send out a letter out lining the legal obligations of the Absentee Landlord.

4.10 Savings Fund

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.

4.11 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 work exceed £5,000. Where the costs are expected 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 Homeowner Housing Panel.

5.0 PAYMENTS

5.1 Invoices will be issued annually in arrears for the period 1st April to 31st March immediately after the 30th of April. Payment is due 28 days of issue of account, with reminders/final notices being issued at weekly intervals. If still unpaid, the Association will refer to the Factor Owners Debt Recovery Policy.

Accounts will include:

- Management Fee
- Building Insurance
- Reactive Repairs
- Cyclical Services
- Planned Maintenance

5.2 Invoices & Receipts

The Association will keep detailed records of all works ordered. Owners can inspect any invoices or receipts for work which they have been charged for at the office.

5.3 Arrears Procedure

Owners are requested to settle their accounts within 28 days of issue account. Where arrears accrue, the Association will refer to the Factored Owners Debt Recovery Policy and Procedure.

5.4 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 quarterly 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.

5.5 Write Offs & Bad Debt

Where a former homeowner’s debt is uneconomic to pursue (£100 and under) or there is no prospect of recovery, the debt will be written off. This will only be considered when every route in relation to recovering the debt has been exhausted.

Factoring arrears will generally only be written off when:

- The former homeowner is deceased and has no estate.
- No forwarding address can be obtained.
- The debt is un-economical to pursue

Former homeowner’s arrears cases will not be written off without the authority of the Board, following a recommendation from the Audit & Assurance Committee.

As well as arrears balances, annual write offs for credit balances will also take place. A bad debt provision will be agreed annually by the Board for budgeting purposes.

Request authorised by the Corporate Manager or Chief Executive Officer.

6.0 GENERAL INFORMATION

6.1 Lenders

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.

6.2 Legal Action

Legal action will be initiated in respect of all accounts outstanding for one or more periods. All legal action will be initiated by the Corporate Manager and authorised by the Board. Legal costs will be charged to the account where possible.

Decrees obtained through recovery action may be enforced by any of the following:

- Wage arrestment
- Bank account arrestment
- Inhibition on sale of property
- Intercepting payments due by a third party e.g. rent
- Notice of Potential Liability for Costs
- Sequestration

Where a homeowner is declared bankrupt, the debt will be pursued in accordance with legal procedures. Accounts will be written off on receipt of legal confirmation of bankruptcy if there are no free funds.

7.0 SALE OF PROPERTY

7.1 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

7.2 An additional administration fee of £50.00 will be charged in respect of homeowners' sales.

7.3 An additional fee of £100.00 for the provision of documents and information at short notice will be charged where requests for information or documentation are made less than five days from the completion date of a sale.

7.4 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.

8.0 CANCELLATION OF SERVICE

8.1 The Association may withdraw its factoring service at a property if it considers that the financial risk of maintaining the service is too great or there are management issues which it is unable to resolve.

8.2 In accordance with the Association's written statement homeowners can terminate the Association's service by calling a meeting in accordance with the title deeds of the property and providing the Association with three months' notice signed by the majority of the homeowners of the property also in accordance with the title.

8.3 The Association will provide the homeowners with any financial information they require at this time.

8.4 The Association will from the date received provide only wind and watertight reactive repairs service.

8.5 At the end of the three-month period the Association will apportion accounts and provide each homeowner with a final account for payment and refund any credits due

9.0 REPORTING

9.1 Quarterly reports will be presented to the Audit & Assurance Committee 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

10.0 EQUAL OPPORTUNITIES STATEMENT

10.1 The Association demonstrates its commitment to diversity and promoting equality by ensuring that this policy is applied in a manner that is fair to all sections of the community, with due regard to the protected characteristics identified under the Equality Act 2010.

11.0 PROCESSING INFORMATION – GENERAL DATA PROTECTION REGULATIONS

11.1 Craigdale 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.

12.0 COMPLAINTS

12.1 Craigdale 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 customers' complaint, they will then be referred to the Scottish Homeowners Housing Panel.

Address: Housing and Property Chamber
First-tier Tribunal for Scotland
Glasgow Tribunals Centre
3rd Floor, 20 York Street
Glasgow, G2-8GT

Email: HPCAdmin@scotcourtstribunals.gov.uk

Tel: 0141-302-5900

Website: https://housingandpropertychamber.scot

13.0 INFORMATION & CONSULTATION

13.1 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 of the Written Statement of Services and will also receive copies of newsletters and annual reports.
- The Association or its factored homeowners will arrange ad hoc meetings regarding the factoring service.
- Regular reports will be presented to the Association's Board on the activities carried out to factored property.
- The Association will endeavor to carry out a full independent survey of our homeowners at least every three years and carry out a small in-house survey yearly.

14.0 POLICY REVIEW

14.1 This policy will be reviewed every three years or when required to address any weakness in the procedure or changes in legislation or best practice.