



Cassiltoun Housing Association

FACTORING POLICY

Date Approved	Proposed Review Date
January 2019	January 2022
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 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. Legislative Background

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. 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. 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 Building Insurance

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.

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.

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

4.2 Response Repairs

The Association aims to provide a prompt and efficient response 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.

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.

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

Operations staff will inspect properties on a regular basis as part of their day to day activities.

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. The Association aims for the factoring service to be self-financing.

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

Owners will be charged for a proportionate share of any repair work carried out and this will be added to any bills issued. 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

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 promptly. Where arrears arise the Association will refer to the Factored Owners Debt Recovery Policy and Procedure.

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

Quarterly reports will be presented to the Operations Sub-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
- Details of legal action being pursued

11. Equal Opportunities

Cassiltoun Housing Association is committed to providing fair and equal treatment to all our customers.

The Association will not discriminate against anyone on the grounds of race, colour, ethnic or national origin, disability, religion, age, sexual orientation, marital status, civil partnerships, family circumstances, employment status or physical ability.

We will offer customers a range of options for communicating with us, since requiring to contact us may have to be in writing and this may be a deterrent, for example for people with poor literacy skills, visual impairment, or where first language is not English. We will monitor use of our policy and procedure for ethnic origin and disability to ensure that our procedures deliver fair outcomes for different groups of customers.

12. 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.

In keeping records about complaints and in allowing access to our files we will comply with the legislative requirements including, Access to Person at Files Act 1987 and the General Data Protection Regulations 2018 and the Data Protection Act 2018.

13. 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.
- 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 and operations sub-committee which reports the activities carried out to factored property.

14. Policy Review

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