



# Factoring Statement of Services

Everything you need  
to know about our  
Factoring Service





# Introduction

The Property Factor's Act (Scotland) Act 2011, incorporating the new Code of Conduct came into effect in October 2012. Cassiltoun Housing Association in line with this Act registered as a Property Factor effective from 19th December 2012 and our Property Factor Registration Number is PF000154 which you will see quoted on any documentation sent to you.

This booklet is Cassiltoun Housing Association Ltd's Written Statement of Services which meets our obligations as set out in the above Act to ensure that you have all the information that you need and sets out the arrangements that are in place between the Association and our Factored Owners.

# Our authority to act as your Factor

You will find everything that you need to know about your rights and responsibilities as a factored homeowner in your Deed of Conditions. This is a legal document which is part of your Title Deeds.

## **Cassiltoun Housing Association Ltd will either:**

1. Be named as factor in the Title Deeds.
2. Have been appointed when we took over the ownership and management of the ex GHA stock in March 2009.
3. Have been appointed directly.
4. Were already the factor for the block at the time that you purchased your property.

Your Deed of Conditions sets out the rights and responsibilities that you have as a homeowner and that Cassiltoun Housing Association Ltd has as the property manager (factor), and sets out the rules governing the management, maintenance, insurance, repair and improvement works to the shared parts of your building and common areas. A copy of your title deeds can be obtained from the Registrars of Scotland who can be contacted on 0845 607 0164 or [customerservices@ros.gov.uk](mailto:customerservices@ros.gov.uk). Further information can be obtained from their website at [www.ros.gov.uk](http://www.ros.gov.uk) or alternatively you can contact your solicitor who dealt with your house purchase who would have discussed your Title Deeds with you at the time of purchase.

## Delegated Authority

Your Title Deeds provides the Factor (in your case Cassiltoun Housing Association) with delegated authority to complete necessary repair and improvement works below a certain cost (Consent Level). This helps to protect your building from further damage therefore minimising the costs to yourself.

Consent levels are contained within your Deed of Condition but for tenement flats like your own are normally £2,000.

Where the cost of the repair/improvement works are over the Consent Level we will contact you and all the other owners within the block requesting permission to go ahead with an explanation of the works required. We will normally require a response within 28 days of the request being made. All owners within the block have a vote including Cassiltoun Housing Association Ltd who will have a vote for all the properties that we own. For example in a block of flats where there are 4 flats owned by the Association, the Association will have 4 votes. A majority vote is required, therefore if we get permission from the majority of the owners to go ahead with the work, this will then be instructed to be completed. You will be kept informed at all stages on what is happening and when.

Only if there is a risk to the health and safety of residents within a block (S) would instruct essential work to be carried out without obtaining a majority vote in favour in advance .

For larger repairs or repairs such as close painting, monies are gathered from owners, prior to the works being instructed.

In cases where works exceed £350.00 per property and it is an emergency situation, the Association reserves the right to instruct the works and add the costs to the factoring accounts. Owners are notified in writing should this eventuality occur.

If some owners do not pay in advance, the Association may have to cancel the works or, in certain cases, may agree to progress them and add the unpaid costs to the non paying owner/s' factoring accounts – this is entirely at the Association's discretion. Other owners also have the option to pay the non-paying owner's share of the costs, but the Association cannot then take legal action against the non paying owner to recover the costs – although the paying owners can.

If the emergency service is called to a property to deal with what turns out to be a private repair, then the property at the source of the repair will be responsible for the cost of this call and any repairs carried out. It is the owners' responsibility to ensure that the Association and neighbours are supplied with their up to date contact details.



# Factoring Services Provided

## Property Management Service

As Factor we provide a comprehensive Property Management Service which is charged as a Management Fee. This is reviewed annually to ensure that it reflects the actual costs incurred by Cassiltoun Housing Association Ltd in providing this service. The charge is part of your Factoring Invoice which is issued to you quarterly in arrears. You will annually be issued with details of all current charges.

### **Your management fee covers:**

- All property management administration.
- All communication with owners including quarterly newsletter and annual report.
- Arranging and monitoring cyclical and major works contracts.
- Customer Services ensuring that owners can report repair or discuss factoring issues with relevant staff members.
- Administration of Building Insurance, premiums and claims.
- Quarterly Invoicing.
- Copy invoices free of charge. ( However a charge of £10.00 will be applied if more than 3 such requests are made during the year) .
- Property Inspections and advisory service.
- Pre and post inspection service for repairs and maintenance service.
- Supplying information on request to solicitors.
- Debt recovery.
- Owner consultation and close meetings as and when required.
- Registration fee under Property Factors Act 2011

- The Association will charge a reasonable co-ordination fee for the administration of contracts over £2,000 which will be calculated by estimating the hours and staffing required and attributing the current hourly rate(s) including overheads for the staff involved. This fee is divided equally between the properties involved in accordance with the Title Deeds. The Association will advise owners of the fee chargeable at the beginning of the process.
- The Association will charge for additional copies of documentation previously provided to owners e.g. rot guarantees, planning consents, building warrants and completion certifications, drawings, correspondence, factoring invoices. The fee will be £50 + VAT per request, payable in advance, and this fee covers staff time, storage, photocopying costs, overheads.

## Building Insurance

One of our legal responsibilities that we have as your factor, as set out in your deed of conditions, is the provision of buildings insurance. The Deed is designed to protect everyone's interests and ensure that the all houses in the block are always fully covered in the event of an insured act such as fire or storm damage. You cannot opt out of block building insurance cover – it is a legal requirement.

The Association's buildings insurance is currently supplied by Royal Sun Alliance and the terms are available from the Association on request. The policy runs from 1st April to 31st March and will be automatically renewed by the Association annually for as long as we provide factoring services at your address. The policy is a block policy covering all our wholly owned and factored stock and is fully comprehensive. The cover is based on the reinstatement value of the property (i.e. the cost for the complete rebuilding of the flat or tenement as a whole). This value is assessed annually in March by the Insurers when they review the premium. The total sum due for the most recent insurance year is £89,894 and the excess is £250 general each and every loss at the property and £2,500 subsidence Excess.

Owners are informed of the new premium in April each year and it is paid in arrears by owners as per the June quarterly factoring invoice. Cover is dependant up on prompt payment of the June factoring account. The premium (£80 per house/flat in 2013-14) is calculated by taking the annual block policy premium and dividing it amongst all of the properties covered by the policy. Any surplus or deficit is carried forward to the following year. Surpluses can be generated, for example, by new closes being added onto the policy after 28 April. Deficits can arise from the Association withdrawing from the provision of factoring at a close or from bad debt from owners not paying their factoring accounts. New owners of existing property factored by the Association are provided with a copy of the Insurance Schedule when they take ownership of the property. Owners of new closes to the Association's factoring service are given a copy of the Schedule with the initial paperwork sent out to owners enquiring about our services. A copy of the Schedule is available on request to the Association's offices.

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.

To ensure peace of mind for all our residents, all our property will remain fully insured even if your neighbours default on payment. However, where owners fail to pay their buildings insurance premium, after three quarterly invoices the Association will not process any claims made by the owner and where relevant may notify the owner's lender that the property is not covered under the Association's block insurance policy. The debt recovery process will then be followed.

**Procedure for submitting insurance claims:** the Association will submit insurance claims on the owners' behalf for the common/external parts of buildings (e.g. the roof, common close, front entrance door) and if the claim is approved by the Insurers, the applicable excess will be apportioned between the owners and added to their factoring bills. All incidents of communal damage (e.g. vandalism, flooding, fire or storm damage) must be reported to the Association within 7 days of the incident to allow us to process the claim on owners behalf. The Police must be notified immediately in the event of theft or malicious damage. We will deal with

all aspects of the claim under our control promptly and efficiently and will keep owners informed of the progress of the claim as far as practically possible.

With regard to internal damage, owners should contact the Association promptly, and certainly within 21 days, if they would like to make an insurance claim for damage to the internal parts of their flat (e.g. the walls, ceilings, flat entrance door) with the Police notified immediately where theft or malicious damage has taken place. An insurance claims form will be sent to the owner and it needs to be signed and returned with a cheque to cover the applicable excess if he/she would like the Association to organise the necessary repairs. Upon receipt of the claims form the incident will be logged with the Insurers within five working days and we will then arrange to have the flat inspected for pricing purposes, quotes will be forwarded to the insurer for approval and when they have given the go ahead we will instruct the works and pay the contractor at completion.

If on the other hand the owner wishes to organise the necessary repairs (i.e. arrange the quotes and pay the contractor himself/herself at completion) then there is no need to pay the excess amount upfront. Instead the owner should return the claims form with at least two competitive quotes and the Association will obtain approval for the owner to proceed on the basis of the cheapest quote and will arrange reimbursement of the total cost (minus the excess amount) upon receipt of the final receipted invoice. The Association reserves the right to inspect the works both before and after they are carried out to ensure satisfactory completion

The Association does not provide house contents insurance, therefore, you should arrange to have this cover for yourself.



## Common Estate Service Charge

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.

**There are two distinct Estate Services that you are charged for:**

- **Backcourt and Garden Maintenance Service.**
- **Close Cleaning Service** – You can opt out of this service provided the majority in the block vote to do so.

Full details of your individual charges are contained in the separate letter enclosed with this pack.

## Common Electrical Charges

**These are charges which are accrued due to the following reasons::**

- **Stair Lighting** – the Association is billed annually by Glasgow City Council for the provision of stair lighting within the tenement block. This charge is then passed on quarterly to the owners.
- **Common Electrics** – this is the charge for controlled entry door electrics paid by the Association to the supplier and passed onto owners in their quarterly invoice.

Your individual cost for both and your share are detailed in the separate letter enclosed with this pack.

# Financial Arrangements

## Your Account

All the Association's factored accounts are maintained on our computerised system and you can check your account at anytime with us and request a statement to be issued to you. (However a charge of £10.00 will be applied if more than 3 requests are made during the year for information which has been given previously).

Your account is charged quarterly in arrears and your bills will be sent out in **April** (for the period 1st January – 31 March), **July** (for the period 1st April – 30th June), **October** (for the period 1st July – 30th September) and **January** (for the period 1st October – 31st December).

### Your account will contain details of:

- |   |   |
|---|---|
| <input type="checkbox"/> The Management Fee             | <input type="checkbox"/> Stair Cleaning charges |
| <input type="checkbox"/> Buildings Insurance Premium    | <input type="checkbox"/> Stair Lighting charges |
| <input type="checkbox"/> Back Court Maintenance charges | <input type="checkbox"/> Common Electrics       |

Any common repairs charges whether reactive or cyclical or any major improvement works will be invoiced separately.

You should check your account on receipt and direct any queries to the Operations Team based within the office.

## Payment of account

Owners are expected to pay their accounts promptly and no later than the 28th of the month (i.e 28th April). The Association provides each owner with a payment card and there are various payment methods:

- At the post office.
- By standing order.
- At the Bank of Scotland, Main Street, Rutherglen.
- By chip and pin machine either by telephone or in the office.
- By cash or cheque in the office.
- On the website at [www.cassiltoun.org.uk](http://www.cassiltoun.org.uk)

Although Factoring Accounts are issued quarterly, many of our owners have taken the opportunity to pay weekly, fortnightly, four weekly or monthly as suits with their pay and budgeting arrangements. The Association is happy to assist with this.

## Factoring Arrears/Debt Recovery

We take a firm but sensitive approach to arrears recovery. Our aim is to minimise factoring debt and to ensure that all services can be provided and paid for.

Your bill is due to be paid by the 28th of the month in which it is received. If payment is not received a reminder letter will be issued to you requesting payment within 7 days. Thereafter we will:

- Advise you of the outstanding balance and need for immediate payment.
- Invite you contact us to establish reasons for non payment and to enter into a suitable arrears repayment arrangement.
- Advise you of seriousness of non payment and the potential consequences including potential Legal Action for non payment of debt.

Should you be experiencing difficulties in paying your Factoring Account please do not ignore it, it will not go away. The Association is here to help with access to welfare benefits advice and staff will be discuss repayment plans with you if you can only pay the debt off gradually rather than in a lump sum.

If there is still no response, or if an acceptable repayment arrangement is not entered into, the account will then be discussed with the Director of Operations and a decision will be taken on legal action for recovery of the outstanding debt and /or lodging a Notice of Potential Liability on the Title Deeds. The account will also be discussed at the next Operations Sub Committee Meeting.

Before any legal action is taken a final 14 day warning letter will be sent to the owner. If legal action is taken then the Association will recover any costs incurred in legal action for recovery as set down by the Court.

Our Factoring Debt Recovery Procedure is available on request or on-line at [www.cassiltoun.org.uk](http://www.cassiltoun.org.uk).

# Repairs Service

The Association provides a comprehensive repairs service to ensure that our buildings are maintained to the highest possible for standard. For owners the repair service provided is for all the common and external parts of the property. All internal repairs are the responsibility of the owner.

## There are three different categories or repairs:

**Emergency** – This is where there is an immediate risk to health and safety or is likely to cause serious damage to the property. This will be attended to by the Association's contractor within 2 hours in order to make the property safe, thereafter a follow-up repair line will be raised to complete the work. The Association provides a courtesy out of office service for emergencies to common parts only. The phone number is **08000 921 961**.

**Urgent** – This is where there is substantial inconvenience being caused to residents and/or a degree of urgency. This will be dealt with in 3 working days.

**Routine** – These are generally minor repairs where there is no threat to the safety of residents or the property. These will be dealt with in 10 working days.

In addition to these repairs the Association has a planned maintenance programme which includes annual gutter cleaning.



## Billing

A separate monthly invoice will be issued for repairs on completion which will detail:

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

## Contractor

The Association tendered for it's reactive repairs contractor for a 5 year period starting on the 1st April 2009 and completing on the 31st March 2014. The Association's contractor is City Building (Glasgow) LLP.

- This contractor will be used for day-to-day repairs, cyclical maintenance and insurance claims. A thorough tendering process was carried out with the contractor being appointed on a price and quality basis for a fixed price contract. The appointment was approved by the Board of Management.
- The Contractor's performance is monitored against a set of benchmarks and customer satisfaction. The results are reported to the Operations sub Committee on a quarterly basis.
- Regular meetings are held between the Association's Area Managers and the Contractors Operational Managers. At these meetings the Contractor is advised of the content of the Committee reports. Any complaint about the Contractor's performance is dealt with by the Operations Team when the complaint is made. We will pursue the contractor for a satisfactory resolution. The Association's Maintenance Officer will carry out post inspections of the contractors work against performance a targets for quality and timescales for completing work which are is reviewed annually.
- The major repairs contracts are currently out to tender for the next 5 years (2013-2018). The contracts will be awarded on a price/quality basis and information will be issued once the contractors have been appointed. No commission fee, payment or benefit is received by the Association in connection with the appointment of the Contractor.

# Declaration of Interest

In properties where there are tenants of Cassiltoun Housing Association then the Association is the owner, landlord and factor. This is the same for the communal back courts and costs are apportioned accordingly.

## Owners' Obligations

To allow the Association to continue in its role as factor at this address it is extremely important that you recognise your responsibilities in terms of maintaining the common parts of this property and that you fulfil your obligations in this regard.

**We have set out below a list of your obligations as follows:**

- That you pay your factoring accounts within 28 days of receipt.
- That you co-operate with the Association to take forward any repairs of a larger nature that require payment in advance.
- That you keep your property in good repair and attend to any maintenance issues within a reasonable timescale.
- That you provide the Association with current emergency access information.
- That you respond to any emergency situations that are brought to your attention as soon as possible, particularly if the fault is causing damage to another property or to the common close or is causing a danger to residents.
- That you maintain the common close and bin areas in good condition and dispose of your refuse in the correct manner.
- That you do not store personal items in the close or back court.
- That you report any common faults to the Association to allow them to be rectified.

# Changing Factor

The Association believes that it provides a high quality, value for money factoring service and would hope that you would be happy with our service and wish to remain with us.

However, you can if you wish change your factor through a very simple process, but you cannot change alone, there must be a majority of owners within the block that wish to change. The process is:

- Ask for a meeting of all of the property owners to discuss the property management options.
- Attend the meeting and vote for your choice of property factor.
- If a new property factor is appointed, agree the date for the new factor take over the responsibilities of property management including building insurance.
- At any time, 25% of the owners can apply to the Lands Tribunal seeking an order for them to vary the title condition to allow for the removal of a factor.
- At any time the Association can transfer a factoring to another agency as successor.

# Complaints

The Association prides itself in providing excellent service to all our customers and are continually looking at ways in which we can improve. Therefore feedback on the services that we provide are vital and we welcome any comments on ways in which our services can be improved. However, if we make a mistake or you are unhappy with any of our services we have a complaints policy and procedure which is easy to use.

1. Contact the office in person, by telephone, in writing or by e-mail and your complaint will be logged and the appropriate paperwork completed.
2. You will receive a written response within 5 working days detailing the results of our investigations which should resolve your complaint or in certain circumstances advising that additional time is required and why. If further time has been advised you will receive a full written reply once all investigations have been completed.
3. If you are not happy with the response received, you should advise the office and the complaint will then be fully investigated by a Senior member of staff.
4. Full details of Cassiltoun's Complaints Policy and Process is on our website at [www.cassiltoun.org.uk](http://www.cassiltoun.org.uk)
5. Once the Association's internal complaints process has been exhausted, you have a final way in which to have your complaint considered. This is by the Homeowner Housing Panel which is an independent group appointed by the Scottish Government to review complaints against property factors. Details can be found at <http://hohp.scotland.gov.uk>

# Communications

The Association issues quarterly newsletters to all our factored owners and tenants which are full of useful information including any planned improvement works for the area.

An annual report will be issued detailing the Association's activities and business for the preceding financial year.

Owners can contact the Association by telephone, in person, in writing or by e-mail. We will aim to respond to any telephone or in person enquiry immediately, however if this is not possible a written response will be issued within 5 working days. All written correspondence will be responded to within 5 working days.

Prior to any major improvement works owners will be contacted and owners meetings will be held on request.

## Contact Us

**For further information please contact:**

Cassiltoun Housing Association Ltd

The Stables

59 Machrie Road

Glasgow G45 0AZ

Tel: **0141 634 2673**

E-mail: [housing@cassiltoun.org.uk](mailto:housing@cassiltoun.org.uk)

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