



REIDVALE HOUSING ASSOCIATION

Factoring Policy

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Author	

POLICY SUMMARY

Purpose:	
Guidance:	
Regulatory Compliance	
Financial Impact	
Risk Assessment	
Date Reviewed:	
Date approved by Management Committee:	

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1. INTRODUCTION

- 1.1. This document outlines Reidvale Housing Association's policy in relation to factoring and service charges to owners.
- 1.2. The Association will provide a service to owners within its area of operation. We are a registered property factor as defined by the Property Factors (Scotland) Act 2011, registration number PF000099. As a registered property factor, Reidvale Housing Association will ensure compliance with the Code of Conduct provided for in this Act.
- 1.3. On initially assuming responsibility for providing factoring services the Association will advise the owner of the respective responsibilities of both the Association and the owner.
- 1.4. The policy covers the following issues:
 - Factoring Services
 - Maintenance of Common Areas and Common Repairs
 - Management Fee
 - Factoring Accounts
 - Insurance
 - Third party claims
 - Disputes
 - Terminating the Services
 - Performance Standards
 - Committee/staff responsibilities
 - Policy review

2. FACTORING SERVICES

- 2.1. Reidvale Housing Association will, in accordance with the Title Deeds, provide an efficient and cost effective factoring service which covers shared repairs and maintenance to the common parts of the building and adjoining land.
- 2.2. The Association aims to ensure that factoring services will be provided on the basis of a Factoring Agreement made between the Association and individual owners. The Factoring Agreement outlines owner's rights and responsibilities and the Association's responsibilities as Factor.
- 2.3. The Association will issue a Written Statement to all owners. In addition to this Statement, the Association will write to each owner on an annual basis, advising of the services provided and costs involved, together with an insurance schedule with details of the policy and premium value.

Contractors

- 2.4. The Association will maintain a list of approved contractors capable of carrying out the works for which they have been engaged by the Association.
- 2.5. The Association will also be responsible for continual monitoring of the performance of all contractors. This monitoring will be undertaken by the Association's maintenance staff and will ensure that the service and quality of work is of a high standard and represents value for money.
- 2.6. The appointment of contractors will be reviewed on an annual basis by the Housing Services Sub Committee. This review will consider value for money, quality of service delivery, overall performance and levels of customer complaints.

Inspections

- 2.7. The Association will ensure that common areas of property and open space are inspected on a regular basis. This inspection will enable the staff to deal quickly with any problems and will determine the condition of the area. Maintenance programmes may be revised where these inspections indicate that this would be appropriate.
- 2.8. With reactive repairs pre-inspections are carried out as required in order to accurately determine the work necessary. Post inspection of works will be carried out regularly or if a complaint is notified.

3. MAINTENANCE OF COMMON AREAS AND COMMON REPAIRS

Cyclical Maintenance

3.1. The Association will provide cyclical maintenance as part of the factoring services. This will ensure the regular maintenance of the fabric of the buildings and will include as appropriate:

- Painting of common areas
- Painting of close doors
- Painting external faces of window frames
- Cleaning of gutters
- Servicing attic fans
- Cleaning of common stairs
- Cleaning of common windows & close doors
- Landscape maintenance
- Streetscape maintenance
- Maintenance of TV aerials and satellite dishes

3.2. The cycle set for redecoration, servicing, renewal of components etc. are all as recommended as best practice by the relevant professional and government bodies and are reviewed in the light of the results of regular inspections.

Repairs

3.3 Common repairs are repairs to the common internal close and stairwell and to the external elements of the building and backcourt area.

3.4. Common repairs should be reported to the Association as soon as they are discovered.

3.5. Repairs will be undertaken by the Association's approved contractors.

3.6 The timescales for attending common repairs are noted below:

Emergency:	Make safe within 2 Hours
Routine:	24 Hours

In some circumstances repairs may take longer than these timescales due to factors such as parts need to be ordered, weather conditions and the agreement of owners.

- 3.7 Common repairs costing less than £250 per house will be instructed without reference to the owner occupiers.
- 3.8 Where repairs cost more than £250 per house the Association will obtain two competitive quotations.
- 3.9 Where repairs cost more than £500 per house the Association will obtain three competitive quotations.
- 3.10 After obtaining competitive quotations owners will be notified in writing of:
- The nature of the work
 - The total cost
 - Their share of the cost
 - For points 3.8 and 3.9 the Association will convene a meeting of owners to discuss repairs required.
- 3.11 Owners will be given 14 days from issue of this notification to query the cost of the work. If owners do not contact the Association within this time, the Association will assume that they are in agreement and will instruct the work to proceed.
- 3.12 If requested, the Association will instruct private repairs on behalf of an owner providing that the owner has a clear factoring account. The owner will be charged outwith the normal billing process and payment will be expected within 7 days.

Access

- 3.13 The Association's authorised representatives and contractors will have right of access to the whole property, including individual houses, where this is required for inspection, or to effect a repair to common parts or services or to prevent damage to the property.
- 3.14 Except in the case of emergencies, the Association will give three days' notice of needing access.

Emergencies

- 3.15 Emergency repairs will be dealt with out with normal procedures and without recourse to owners.
- 3.16 In the case of emergencies, owners will be required to permit immediate access to their property.
- 3.17 Emergency repairs which arise within office hours should be reported immediately to the Association. Those occurring out with office hours should be reported to the Association's Emergency Repairs Service. The Association will ensure that owners are provided with the Emergency Service telephone number.
- 3.18 Owners who call out the Association's tradesmen out with normal working hours will be re-charged for the call out(s) and any subsequent repairs and material costs to rectify the problem. Owners will be charged as per current schedule of rates and will be invoiced out with the normal billing process. Payment will be expected within 7 days of issue of the invoice.
- 3.19 All emergency work will be charged to owners through the periodic factoring accounts.

Common Areas

- 3.20 The Association will ensure that common areas that are not adopted by the local authority will be adequately maintained.
- 3.21 Under the terms of the Deed of Conditions of the property it is each owners responsibility to maintain common areas (close, stairs, landing, backcourts, gardens, grounds etc.) unless there is an agreement with the Association that a factoring service is provided.
- 3.22 In all cases where the cost of the work exceeds £250 per household, owners will be advised where and when common repairs will be required, and will be consulted in advance of works being carried out - the exception to this will be in emergencies where there is a risk of immediate danger to persons or property.
- 3.23 In the absence of an agreement, if an owner fails to meet their responsibilities to maintain the common areas, the Association will be entitled to arrange for the necessary work to be carried out and the owners will be charged for this.

4. MANAGEMENT FEE

- 4.1 The Association will aim to recover from owners the full cost of administering services provided to them. A management fee will be set and reviewed annually by the Management Committee at their annual budget review meeting to ensure that the full costs incurred by the Association are met. The annual fee will be charged at a flat rate.

5. FACTORING ACCOUNTS

- 5.1 Owners will be charged on a 6 monthly basis. Invoices will be issued normally no later than the end of April and the end of October each year.
- 5.2 Invoices will contain details of the management fee, insurance premium, service charges, share of any common repairs and any private repairs.
- 5.3 Queries and disputes relating to the invoices should be notified to the Association at the earliest opportunity.
- 5.4 Invoices are due for payment within 14 days of issue.

6. INSURANCE

- 6.1 The Association will insure the property for a sum adequate for full rebuilding costs. Cover will include fire and flood and will be provided by a major insurance company. Competitive rates will be obtained for the appropriate level of cover. Owners are required to participate in this insurance scheme.
- 6.2 Any owner who fails to pay their insurance premium may at the discretion of the Association have their insurance cover cancelled.

7. THIRD PARTY CLAIMS

- 7.1. The Association will ensure that a Public Owners Liability Policy is in place.
- 7.2. Owners have no responsibility towards any claims made against the Association in relation to land or buildings wholly in the Association's ownership.
- 7.3. Where a flat has been sold, the common parts of the property and any adjoining ground will be owned jointly between the Association and each owner.
- 7.4. Third Party claims which relate to incidents which have occurred within the curtilage of a property may result in liability for both the Association and joint owner.
- 7.5. It will be each owner's responsibility to make a claim against their own insurance policy if appropriate.

8. DISPUTES

Neighbour Disputes

- 8.1. Owners and their tenants are expected to conduct themselves in a manner which does not cause annoyance or nuisance to their neighbours and which is in accordance with statute, the terms of their Title Deeds and with local bye laws.
- 8.2. Anti-social behaviour should be reported to the Association. The Association will provide advice and, where appropriate, will intervene to deal with breaches in the conditions of Title Deeds. The Association's policy will not prejudice the right of any owner to take legal action as they see fit.

The Association will also seek the services of Glasgow City Council Community Relations Unit to provide support in resolving problems associated with anti-social behaviour where appropriate.

Disputes with the Association

- 8.3. Complaints or disputes regarding the factoring service provided should be reported to the Association's staff.

- 8.4. Disputes or complaints which are not satisfactorily resolved should follow the Association's formal Complaints Policy, a copy of which is available from the Association's office or online from our website.
- 8.5. If the Management Committee is unable to resolve the dispute an owner may refer the matter to the First Tier Tribunal. Both the Association and the owner will be bound by the findings of the First Tier Tribunal.

9. TERMINATING THE SERVICES

- 9.1 The appointment of the Association as Factor can be terminated on the instructions of a majority of the owners in the property, in terms of the Title Deeds or by the Association in each case upon giving not less than 3 months prior notice in writing.
- 9.2 The Association will retain the right to provide factoring services until such times as all adjoining houses and/or shop properties are in private ownership.

10. PERFORMANCE STANDARDS AND MONITORING

- 10.1. The Association will seek to establish appropriate standards in relation to factoring services.
- 10.2. These standards will be set in accordance with the Property Factors (Scotland) Act 2011 Code of Conduct for Property Factors.
- 10.3. Actual performance in relation to factoring services will be monitored on a regular basis.

11. COMMITTEE AND STAFF RESPONSIBILITIES

- 11.1. The Management committee will have overall responsibility in relation to the Association's Factoring policy.
- 11.2. Staff will be responsible for implementing the Factoring policy and will provide the Housing Services Sub Committee with reports as appropriate.

12. POLICY REVIEWS

- 12.1. The Association will review its policy on factoring on a five yearly basis.
- 12.2. More regular reviews would be considered on the advice of staff, where, for example, there was a need to respond either to new legislation/policy guidance or to local circumstances.
- 12.3. The policy was agreed by the Association's Management Committee on 24 April 2019.