

PROPERTY FACTORING POLICY

Riverside Scotland

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1. Purpose

This policy sets out the principals of how Riverside Scotland (“The Association”) will operate its factoring service. Riverside Scotland is a trading name of Irvine Housing Association Ltd.

The Association is registered as an approved factor with the Scottish Government as detailed within the Register of Property Factors (Registration No. PF000112).

The factoring service is responsible for the management, maintenance and repair of common areas of shared facilities and amenities. Examples of common areas, shared facilities and amenities include, without limitation, external walls and roofs of flatted developments, entrance foyers, communal landscaped areas and playgrounds.

The Head of Housing & Communities retains overall responsibility for the delivery of an efficient and effective factoring service, with specific functioning being devolved to the Housing Manager and the Asset and Housing Team.

In the event of a conflict or inconsistency between this Policy and any Title Deeds or Deeds of Condition relative to a particular property or properties, the relevant Title Deeds or Deeds of Condition shall take precedence over the terms of this Policy.

2. Scope

The factoring policy has several clear objectives to provide an efficient and effective factoring service for owners by:

- Providing clarity and accountability of duties, responsibilities and obligations of both owner and Association
- Providing a quality service that is good value for money through procurement of contracts and robust contract management
- Providing excellent customer service through clear communication and efficient enquiry and complaints handling processes
- Engage with owners through written publications and provide opportunities to help shape future service delivery and improve customer satisfaction
- Managing the factored properties and estates effectively
- Ensuring that debts and operating costs are pursued fairly in accordance with agreements in the terms of individual title deeds or deeds of condition.
- Actively encouraging input and feedback from all customers, it is anticipated that this will assist the Association in increased levels of service delivery satisfaction.
- By recovering sums due from property owners, the Association will be able to maintain common areas and shared facilities in a pro-active manner, ensuring their continued future use.

3. Legislation

The factoring policy reflects the Association's commitment to full compliance with all legal, regulatory and good practice requirements. This will be delivered in accordance with the following legislation:

- Housing (Scotland) Act 2014
- Property Factors (Scotland) Act 2011
- Title Conditions (Scotland) Act 2003
- Property Factors (Scotland) Act 2011 – The Code of Conduct
- Tenements (Scotland) Act 2004
- Title Conditions (Scotland) Act 2003
- The Abolition of Feudal Tenure (etc.) (Scotland) Act 2000
- Procurement Reform (Scotland) Act 2014
- Public contracts (Scotland) Regulations 2015
- Procurement (Scotland) Regulations 2016

The Association will also work to meet standards set out by The Scottish Government's Social Housing Charter which came into force in April 2012. The Charter sets out the standards and outcomes that owners can expect from the property management services they receive from social landlords.

- **Equalities**
Every customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.
- **Communication**
Customers find it easy to communicate with their factor and get the information they need about their factor, how and why it makes decisions and the services it provides.
- **Participation**
Customers find it easy to participate in and influence their factor's decisions at a level they feel comfortable with.
- **Value for Money**
Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

Other regulatory and legislative framework which is relevant to the provision of the factoring service includes:

- Health and Safety at Work, etc. Act 1974
- The Occupiers Liability (Scotland) Act 1960
- Equalities Act 2010
- Data Protection Act 2018 (GDPR)

4. Principles

4.1 Core Services To Be Provided

The obligation of our factoring services will be laid out in the Title Deeds or Deeds of Condition attached to the ownership of each home. Although the services provided will vary on each development, the anticipated scope of factoring services is likely to

- Maintain registration as a property factor and ensure this is accurate and up to date.
- Arrange and administer the maintenance of any communal and amenity areas.
- Organise and administer day-to-day items of common repair and maintenance, for which owners are jointly responsible.
- Enter contracts on behalf of the owners for the supply of goods and services.
- Where the Deeds require a common building insurance policy to be in effect, the Association will be responsible for sourcing the appropriate cover and administering the policy. In addition to the requirements for building insurance, it may be necessary to insure common areas such as shared car parking or landscaped areas.
- Handle correspondence and enquiries from individual owners, or their solicitors, in relation to matters arising from the day-to-day management of the development.
- Identification and implementation of planned works schedules required throughout the lifecycle of the development (e.g. gutter cleaning and common area painting work).
- Meet contractors, representatives from insurance companies and local authorities.
- Correctly apportion, recharge and provide regular budgetary information to owners, on all costs associated with the management of the development's communal services.
- Take appropriate action to recover all monies due and prevent the accumulation of high arrears
- Conduct regular customer satisfaction surveys and appropriate development specific consultations.
- Devise and implements action plans in response to consultation findings.
- Provide owners with relevant good quality information in accessible formats including written statement of services which details the terms and service delivery standards. Written statements of services are available on request.

4.2 Works Out-with Core Services

Improvement Works

The Association may carry out improvement works out-with the core services detailed above, if these are requested and agreed by all owners within the factored area. The cost of such works will be notified to all owners prior to the works taking place and divided accordingly as per individual owner Title Deeds. Riverside Scotland will consult with homeowners and seek their individual agreement where individual bills for a specific project are estimated to be in excess of £150. It may be necessary under some circumstances to collect costs in advance to ensure a project can go ahead. Alternatively, costs may be invoiced at set stages throughout the contract. This would be agreed with homeowners before any work commences.

Essential Health and Safety and Urgent Works

If essential Health and Safety or urgent repair works are required, Riverside Scot will endeavour to seek agreement from owners and consult with them prior to the works taking place. However, in some circumstances there may be insufficient time to consult fully with owners due to the urgent nature of the repair/works. In these situations, the Association will arrange for these works to be carried out and will provide owners with the detail and cost of the works, individual recharge amounts, and why it was deemed urgent or essential, retrospectively in writing.

Planned and Cyclical Maintenance

The Association has in place cyclical planned maintenance programmes to ensure continued investment in our housing stock. These programmes may apply to communal works within our mixed tenure flatted developments, such as security door replacement or communal door, roof, and window renewal. The Association is required to carry out these maintenance programmes to ensure our housing stock complies with Scottish Government standards, such as the Scottish Housing Quality Standard. In these cases, all owners within the block will be notified of the detail and proposed costs in writing prior to the works taking place. An individual owner's contribution to these works will reflect their individual property Title Deeds. If responsibilities are not set out in Title Deeds, the Association will refer to the Tenement (Scotland) Act 2004, and associated Tenement Management Scheme, which sets out that common repairs and maintenance works can progress if the majority of owners within the block give consent. In cases where the majority owner is the Association, we will ensure that costs to owners are minimised as far as possible, and that owners are notified of the details and costs of the works and provided with evidence of best value.

4.3 Quality of Works

In carrying out their obligations as factors, the Association is dedicated to operating the service using reasonable skill and care.

The Association retains a comprehensive list of preferred contractors, capable of carrying out a variety of trades. This list is tendered on a regular basis in accordance with the Association's Procurement Policy to ensure value for money is achieved, for the Association and the owners of the occupied properties. Contractors' performance is regularly monitored by the Association's maintenance staff to ensure that the quality of work is of a high standard and represents value for money. A list of contractors is available for inspection at the Association's offices.

All common areas and shared facilities will formally be inspected on a regular and agreed basis by the Association's staff and its representatives. By undertaking a programme of inspections, it will be possible to identify maintenance issues and monitor the delivery of the services being provided. The programme may be updated when inspection reveals a more rapid deterioration or it may be deferred should the fabric or component be wearing better than expected.

5. Further Information & Support

5.1 Recovery of Costs

Invoices and budget information will be issued to owners in accordance with the terms of the relevant Title Deeds and / or Deeds of Condition. The information provided to owners, will typically detail costs incurred/to be incurred under the following headings:

- 1. Buildings insurance premium.
- 2. Common landscaping maintenance.
- 3. Common area cleaning.
- 4. Communal area electricity and lighting costs.
- 5. One off repairs.
- 6. Factoring fee.

- 7. Any other outlays incurred by the Association on behalf of the owners.

A management fee will be charged for the provision of the factoring service, e.g.

- 1. staff time in inspecting and organising repairs, tendering, writing to owners, calling and attending meetings and maintaining adequate records.
- 2. administering the common buildings insurance policy, making claims, etc.
- 3. printing, postage and delivery of letters and newsletters.
- 4. Issuing invoices, maintaining accounts, monitoring and recovery of arrears.
- 5. liaising with solicitors in sales and re-sales and providing relevant information.
- 6. advertising for, maintaining and monitoring an approved contractors list

The Association will annually assess the costs to deliver the factoring service and the costs of the management fee to ensure that the charges cover the expenditure incurred.

5.2 Invoices, charges & making payments

Invoices will be issued quarterly in April, July, October, January and payment will be expected within 28 days from the date of invoice. However, in cases of genuine difficulty, or where the cost incurred is fairly substantial, the Association may authorise payment arrangements to suit individual circumstances. Where arrears accrue the Association will apply their Debt Recovery Procedure.

The Association will offer various methods of paying factoring charges to suit individual preference, e.g., direct debit, debit card or all pay card. Owners may also pay more frequently than quarterly if they prefer. All charges raised will be fully transparent. Should any owner be dissatisfied with the level of transparency demonstrated, further reasonable cost information may be requested from the Association.

Owners' liability in respect of the costs of common repairs and maintenance work will be determined in accordance with the terms of individual Title Deeds or Deeds of Condition. Should owners fail to meet their financial responsibilities, not only can it affect the progress of repairs, it can ultimately place an additional financial burden on neighbouring owners. Hence, the Association will actively pursue outstanding debts in a vigorous manner and will progress legal action where required.

Costs will be recharged on a pro-rata basis to all properties liable to pay a share of the upkeep, e.g. grass cutting, de-littering and general maintenance of common areas. The cost of the electrical supply for common services, e.g. stair-lighting will be recovered at cost on a pro-rata basis. This will apply to other common services such as, close cleaning, controlled door entry systems, etc.

5.3 Debt Recovery Procedure

The association will issue factoring invoices quarterly each year. These accounts include methods of payment and confirmation that the account should be paid within 28 days of receipt, together with the current balance on the account.

If payment is not received within 28 days a further reminder is sent requesting payment within 7 days. After a further 7 days if no payment is made, we will attempt to contact homeowners by letter, phone and home visits. If no payment arrangement is made, we will send a reminder and will also intimate that legal action may be instigated.

If legal action is to be taken, we will write to the homeowner concerned and advise them of the decision. We will seek to recover any costs incurred in legal action for debt recovery, as permitted by the court.

If you are in financial difficulty, free impartial debt advice can be obtained from <https://www.mygov.scot/support-money> where you will find links to Citizens Advice Bureau (money & debt advice), Stepchange.org (coping with stress and debt) and Money Advice (help with clearing your debt)

The homeowner may ask that any disputed debt is dealt with in terms of our complaints' procedure (see 'Complaints Procedure' below).

5.4 Insurance

Where the Title Deeds or Deeds of Conditions so require, the Association has a legal responsibility to arrange adequate buildings insurance to cover the reinstatement or repair of the common parts forming part of the building, including site clearance charges and professional fees, in the event of fire, storm, flood or other insured perils.

Cover will be arranged via a major insurance company, on terms which demonstrate best value in the Association's insurance tender exercises carried out from time to time and which will enable owners to benefit from economies of scale.

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.

5.5 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:

- Name(s) of new owner
- Date of settlement
- Solicitor acting on new owner's behalf

6. Roles and Responsibilities

Housing Services

- Head of Housing and Communities responsible for overall policy implementation
- Ensuring adequate resources are available to enable policy objectives and outcomes to be met.
- Factoring coordinators responsible for service delivery to owners and to improve communication and customer satisfaction.

Income Collection Team

- Responsible for collecting factoring fees in line with Invoicing terms and conditions
- Raising any legal action to recover any fees due

Asset Services

- Responsible for the contract management to ensure repairs and maintenance are carried out in communal areas
- Health and Safety issues are addressed within appropriate timescales

7. Risks

The risks identified relate to customer satisfaction and income collection. These risks are monitored regularly and mitigated through the following actions:

- Factored owners are surveyed every three years on their satisfaction with service delivery allowing us to identify further improvements.
- We have implemented increased communication with our factored owners through an owner's newsletter and regular estate walkabouts.
- We also have dedicated factoring information available on our website
- We have a robust income collection policy and procedure in place to collect factoring fees and recover fees owing
- We have a complaints policy and procedure in place to investigate and take necessary action on complaints

8. Appeals & Complaints

The Association undertake to deal with any complaint received, in a professional and timely manner and in keeping with the Association's complaints policy which is available on our website.

By maintaining clear channels of communications, it is the intention of the Association to ensure that all matters of concern are addressed at the earliest possible opportunity. Any owner wishing to make a complaint regarding any aspect of the factoring service can request a copy of the Association's complaints policy.

If any complaint remains unresolved the homeowner can take their claim to The First Tier Tribunal for Scotland. Before making an application to the Tribunal, homeowners must first notify their factor in writing and allow the factor an opportunity to resolve the matter.

The Tribunal's contact details are as follows:-

First-tier Tribunal for Scotland Housing and Property Scottish Courts and Tribunals Service
4th Floor 1 Atlantic Quay 45 Robertson Street Glasgow G2 8JB
Telephone: 0141 302 5900
Email: HPCadmin@scotcourtribunals.gov.uk
Website: www.housingandpropertychamber.scot

9. Monitoring/ Assurance

9.1 Processing Information – General Data Protection Regulations

Riverside Scotland 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.

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.

9.2 Policy Review and Consultation

The Association will review the Factoring Policy on a three yearly basis and in response to new legislation, operational or organisational changes or industry best practice, which may affect content.

10. Equality, Diversity and Inclusion

We are committed to Equality, Diversity & Inclusion. We strive to be fair in our dealings with all people, communities and organisations, taking into account the diverse nature of their culture and background and actively promoting inclusion. This policy aligns with Riverside's Equality, Diversity and Inclusion Policy and has been subject to an Equality Impact Assessment.

It is the responsibility of customers to advise us of any vulnerability, disability, or protected characteristic that may impact on the way we provide a service or handle a complaint. We will consider making reasonable adjustments where such adjustments are requested.