

# **MOLENDINAR PARK HOUSING ASSOCIATION**

## **FACTORING AND OWNER OCCUPIER POLICY**

**Date of Review:** 19<sup>th</sup> February 2013  
**Date of Next Review:** March 2018

*Registered in Scotland – 2400R(S)  
Registered Scottish Charity –SCO43725  
Registered Property Factor - PF000125*

## **1. INTRODUCTION**

- 1.1 This document outlines Molendinar Park Housing Association's policy in relation to factoring and service charges to owner-occupiers.
- 1.2 The Association will provide a service to owner occupiers within its area of operation. We are a registered property factor as defined by the Property Factors (Scotland) Act 2001, Registration Number PF000125. As a registered property factor, Molendinar Park Housing Association will ensure compliance with the Code of Conduct provided for in this act.
- 1.3 On initially assuming responsibility for the above obligations the Association will advise all existing owners of the respective responsibilities of both the Association and the owners.
- 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
- 1.5 This policy has been written using best practice guidance and aims to comply fully with these and the requirements of legislation.
- 1.6 The policy seeks to fully comply with the Scottish Housing Regulator's Activity Standard (AS5.2 Factoring) which requires that "we are fair, efficient and effective factors for the other property owners. We manage factoring funds on behalf of owners in a proper and accountable manner.

## **2. FACTORING SERVICES**

- 2.1 Molendinar Park 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 Factoring services will be provided on the basis of a Factoring Agreement made

between the Association and individual owner occupiers. The Factoring Agreement outlines owner's rights and responsibilities and the Association's responsibilities as Factor.

- 2.3 The Association will retain the right to provide factoring services until such times as all adjoining houses are in private ownership.
- 2.4 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 detail of the policy and premium value.

### **Contractors**

- 2.5 The Association will maintain a list of approved contractors capable of carrying out the works for which the Association has engaged them. This list will be available at the office for owners to inspect.
- 2.6 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 works is of a high standard and represents value for money.
- 2.7 The appointment of contractors will be reviewed on an annual basis by the Management Committee. This review will consider value for money, quality of service delivery, overall performance and levels of customer complaints.

### **Inspections**

- 2.8 The Association will ensure that common areas of property and open spaces are inspected on a regular basis. This inspection will enable 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.
- 2.9 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**

### **Maintenance**

- 3.1 The Association operates a maintenance programme in line with recommendations published by the SFHA.

3.2 The cycle set for 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 results of regular inspections.

### **Cyclical Maintenance**

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

- Painting of common areas
- Painting of close doors
- Painting external faces of window frames
- Cleaning of gutters
- Servicing fans
- Cleaning of common stairs
- Cleaning of common windows and close doors
- Drainage inspection
- Smoke detector maintenance
- Landscape maintenance

### **Repairs**

3.4 Any repairs required within one year of properties being built will be undertaken under Defects Liability. Immediately prior to the expiry of the defects liability period, properties will be inspected by the Association. Owners will be notified in writing of this visit.

3.5 Outwith any defects liability period Common repairs should be reported to the Association as soon as they are discovered.

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

3.6 Repairs will be undertaken by Molendinar's approved contractors.

3.7 The timescales for attending to common repairs are noted below:

Emergency	Make safe within two hours
Routine	24 hours

3.8 Common repairs costing less than £250 per house will be instructed without reference to the owner occupiers. This cost will be updated by RPI each year.

- 3.9 Where repairs cost more than £500 per house the Association will obtain three competitive quotations and will notify the owners in writing of:
- The nature of the work
  - The total cost
  - Their share of the cost
- 3.10 Owners will be given 14 days from issue of this notification to query the cost of the work and, if they wish, to obtain alternative quotations. 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.
- 3.11 If requested, the Association will instruct private repairs on behalf of an owner providing the owner has a clear factoring account. The owner will be charged outwith the normal billing process and payment will be expected within seven days.

#### **Access**

- 3.12 The Association's authorised representative 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.
- 3.13 Except in the case of emergencies, the Association will give three days notice of needing access.

#### **Emergencies**

- 3.14 Emergency repairs (as defined in the Association's Repairs Policy) will be dealt with outwith normal procedures and without recourse to owners.
- 3.15 In the case of emergencies, owners will be required to permit immediate access to their property.
- 3.16 Emergency repairs, which arise within office hours, should be reported immediately to the Association. Those occurring outwith office hours should be reported to the Association's emergency number. The Association will ensure that owners are provided with contact details for emergency repairs.
- 3.17 All emergency work will be charged to owner-occupiers through the normal billing system.

## **Common Areas**

- 3.18 The Association will ensure that common areas that are not adopted by the local authority will be adequately maintained.
- 3.19 Under the terms of the Deed of Conditions of the Property it is each owner occupiers responsibility to maintain common areas (close, stairs, landing, backcourts, gardens, grounds etc) unless there is an agreement that a factoring service is provided.
- 3.20 Costs associated with this work will be apportioned and recouped from owner-occupiers as defined in the title deeds.
- 3.21 In the 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.
- 3.22 In the absence of an agreement, if an owner-occupier 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 owner-occupiers the full cost of administering services provided to them and a Management Fee will be set and reviewed annually by the Management Committee at their annual budget review to ensure that the full costs incurred by the Association are met.

## **5 FACTORING ACCOUNTS**

- 5.1 Owners will be charged on a six monthly basis. Invoices will be issued normally no later than the May and the end of November each year.
- 5.2 Invoices will contain details of the management fee, insurance premium, services 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 28 days of issue.

## **6 THIRD PARTY CLAIMS**

- 6.1 Molendinar Housing Association recognises that it may receive claims from residents or members of the public, in connection with the land, which it owns, and or the buildings, which it owns solely or jointly with owners. Such claims may relate to damage or personal injury.
- 6.2 Owner-occupiers have no responsibility towards any claims made against the Association in relation to land or building wholly in the Association's ownership.
- 6.3 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.
- 6.4 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.
- 6.5 It will be each owner's responsibility to make a claim against their own insurance policy.

## **7 DISPUTES**

### **Neighbour Disputes**

- 7.1 Owner-occupiers are expected to conduct themselves in a manner, which does not cause annoyance or nuisance to their neighbours and which is in accordance with stature, the terms of their Title Deeds and with local bylaws.
- 7.2 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-occupier to take legal action as they see fit.

### **Disputes with the Association**

- 7.3 Complaints or disputes regarding the factoring service provided should be reported to the Association's staff.
- 7.4 Disputes of complaints which are not satisfactory 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.
- 7.5 If the Management Committee is unable to resolve the dispute an owner may refer the matter to the Homeowner Housing Panel. Both the Association and the owner will be bound by the findings of the Homeowner Housing Panel.

## **8 PERFORMANCE STANDARDS AND MONITORING**

- 8.1 Molendinar Park Housing Association will seek to establish appropriate standards in relation to factoring services.
- 8.2 These standards will be set in accordance with the Property Factors (Scotland) Act 2011 Code of Conduct for Property Factors.
- 8.3 Actual performance in relation to factoring services will be monitored on a regular basis.

## **9 COMMITTEE AND STAFF RESPONSIBILITIES**

- 9.1 The Management Committee will have overall responsibility in relation to the Association's factoring policy.
- 9.2 Staff will be responsible for implementing the factoring policy and will provide the Committee with regular reports on service delivery and factoring budget.

## **10 POLICY REVIEWS**

- 10.1 Molendinar Housing Association will review its policy on factoring on a five yearly basis.
- 10.2 More regular reviews would be considered on the advice of staff, where, for example, there was a need to respond wither to new legislation/policy guidance or to local circumstances.