



MOLENDINAR PARK HOUSING ASSOCIATION

FACTORING AND OWNER OCCUPIER POLICY

Adopted: 7 May 2019
Date of Next Review: May 2022

Molendinar Park Housing Association
3 Graham Square
Glasgow G31 1AD

Registered in Scotland 2400 R (S)
Registered Scottish Charity SC043725
Registered Property Factor PF 000125

POLICY

1. INTRODUCTION

This document outlines Molendinar Park Housing Association's policy in relation to factoring and service charges to owner-occupiers. Factoring is the provision of a management service to the owners of properties. This usually relates to services that need to be carried out for the general maintenance or improvement of common aspects of property or land such as the cleaning of common areas and repairs and maintenance services.

The Association provides a service to owner occupiers within its area of operation. We are a registered property factor as defined by the Property Factors (Scotland) Act 2011, Registration Number PF000125. As a registered property factor, Molendinar Park Housing Association will ensure compliance with the Property Factors' Code of Conduct 2012

1. AIMS AND OBJECTIVES

This Policy aims to ensure that the Association complies with the Property Factors (Scotland) Act 2011 and associated Code of Conduct and other associated legislation. This Policy also aims to deliver value for money to owners whilst ensuring services are affordable to homeowners and financially sustainable to the Association.

The Association aims to be fair, efficient and effective factors for other property owners and manage factoring funds on behalf of owners in a proper and accountable manner.

3. EQUALITIES

As part of our commitment to equal opportunities, this policy can be made available in large print or audio tape or translated into another language if required. We are also committed to meeting Outcome 1 of the Scottish Social Housing Charter which states that Social Landlords perform all aspects of their housing services so that:

- every tenant and other customer has their individual needs recognised
- is treated fairly and with respect
- receives fair access to housing and housing services

4. LEGISLATION AND GUIDANCE

This Policy complies with - the Property Factors (Scotland) Act 2011; Property Factors Code of Conduct (Scotland) Order 2012 and takes account of the Tenements (Scotland) Act 2004 and the Title Conditions (Scotland) Act 2003.

This Policy also takes account of the findings of a Thematic Enquiry by the Scottish Housing Regulator into Factoring Services in Scotland 2016 and of Factoring Guidance issued by the SFHA in 2015.

5. SCOTTISH SOCIAL HOUSING CHARTER 2017

The following Charter outcomes are particularly relevant to this Policy;

- Communication – Social landlords manage their businesses so that – tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides;
- Participation – tenants and other customers find it easy to participate in and influence their landlord’s decisions at a level they feel comfortable with
- Value for Money- Social landlords manage all aspects of their businesses so that – tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

6. POLICY SCOPE

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 monitoring
- Committee/staff responsibilities
- Policy review

A separate policy covers the management of debt recovery in respect of factoring.

7. OUR FACTORING SERVICE

- 7.1 On initially assuming responsibility for the above obligations we will advise all existing and new owners of the respective responsibilities of both the Association and the owners.
- 7.2 This policy has been written taking account of legislation, including the Property Factors Code of Conduct, 2012 the findings of a Thematic Enquiry by the Scottish Housing Regulator into Factoring Services in Scotland 2016 and of Factoring Guidance issued by the SFHA in 2015.
- 7.3 In accordance with the Title Deeds we will provide an efficient and cost-effective factoring service which covers shared repairs and maintenance to the common parts of the building and adjoining land.
- 7.4 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.
- 7.5 We retain the right to provide factoring services until such times as all adjoining houses are in private ownership.
- 7.6 We will issue a Written Statement to all owners. In addition to this statement, we 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.
- 7.7 **Contractors**
- 7.7.1 We 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.
- 7.8 We are responsible for monitoring 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.
- 7.9 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/praise.
- 7.10 **Inspections**
- 7.10.1 We will ensure that common areas of property and open spaces in the ownership of the Association are inspected on a regular basis. This inspection will enable staff to deal quickly with any problems. Maintenance programmes may be revised where these inspections indicate that this would be appropriate.

- 7.11 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.

8. MAINTENANCE OF COMMON AREAS AND COMMON REPAIRS

Maintenance

- 8.1 The Association operates a maintenance programme in line with recommendations published by the SFHA and in line with our asset management strategy
- 8.2 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

- 8.3 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 communal fans
- Cleaning of common stairs
- Cleaning of common windows and close doors
- Drainage inspection
- Smoke detector maintenance in communal areas
- Landscape maintenance

Repairs

- 8.4 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.
- 8.5 Outwith any defects liability period Common repairs should be reported to the Association as soon as they are discovered.
- 8.6 Common repairs are repairs to the common internal close and stairwell and to the external elements of the building and backcourt area

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

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

Emergency	Make safe within two hours
Routine	24 hours

8.9 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.

8.10 Where repairs cost more than £500 per individual property, we 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

8.11 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, we will assume that they are in agreement and will instruct the work to proceed.

8.12 If requested, we 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

8.13 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.

8.14 Except in the case of emergencies, the Association will give three days' notice of needing access.

Emergencies

8.15 Emergency repairs (as defined in the Association's Repairs Policy) will be dealt with outwith normal procedures and without recourse to owners.

8.16 In the case of emergencies, owners will be required to permit immediate access to their property.

8.17 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.

8.18 All emergency work will be charged to owner-occupiers through the normal billing system.

Common Areas

8.19 The Association will ensure that common areas that are not adopted by the local authority will be adequately maintained.

8.20 Under the terms of the Deed of Conditions of the Property it is each owner occupier's responsibility to maintain common areas (close, stairs, landing, backcourts, gardens, grounds etc.) unless there is an agreement that a factoring service is provided.

8.21 Costs associated with this work will be apportioned and recouped from owner-occupiers as defined in the title deeds.

8.22 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.

8.23 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.

9. MANAGEMENT FEE

9.1 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.

10. FACTORING ACCOUNTS

10.1 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.

10.2 Invoices will contain details of the management fee, insurance premium, services charges, share of any common repairs and any private repairs.

10.3 Queries and disputes relating to the invoices should be notified to the Association at the earliest opportunity.

10.4 Invoices are due for payment within 28 days of issue.

11. THIRD PARTY CLAIMS

- 11.1 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.
- 11.2 Owner-occupiers have normally no responsibility towards any claims made against the Association in relation to land or building wholly in the Association's ownership.
- 11.3 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.
- 11.4 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.
- 11.5 It will be each owner's responsibility to make a claim against their own insurance policy.

12. DISPUTES

Neighbour Disputes

- 12.1 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 statute, the terms of their Title Deeds and with local bylaws.
- 12.2 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 and Complaints

- 12.3 Complaints or disputes regarding the factoring service provided should be reported to the Association's staff.
- 12.4 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.

- 12.5 If the Management Committee is unable to resolve the dispute an owner may refer the matter to the First Tier Tribunal Housing and Property Chamber.

13. TERMINATING SERVICES

- 13.1 The Association may withdraw its factoring service at a property or properties where it considers that the financial risk of continuing are too high or there are management issues which cannot satisfactorily be resolved.
- 13.2 Such action will only be considered where other possibilities have been fully explored and where a report has been submitted to the Committee seeking authorisation for such a course of action.
- 13.3 In the event of this happening, property owners will be given three months written notice and will be issued with final accounts and refunded any balance owing to them.
- 13.4 Owners may terminate a factoring service by calling a meeting in accordance with the title deeds and giving the Association three months' notice signed by the majority of owners in accordance with the title deeds.
- 13.5 The Association will provide owners with any required financial information at this time.
- 13.6 When the Association receives three months written notice signed by the majority of owners, it will from the date of receipt provide only a wind and water tight reactive repairs service.
- 13.7 At the end of three months the Association will apportion accounts and provide each owner with a final account and refund any credits due.

14. PERFORMANCE STANDARDS AND MONITORING

- 14.1 We will monitor and report on
- levels of satisfaction reported by owners on the factoring service
 - complaints received on the service and the outcome of any matters referred by owners to the First Tier Tribunal – Housing and Property Chamber
 - profit, loss, arrears and recovery
 - benchmarking of average management fees and satisfaction rates, using data provided to the Scottish Housing Regulator

15. PROCEDURES

- 15.1 Comprehensive procedures for all aspects of factoring are specified in housing management and maintenance procedure documents.

16. ROLES AND RESPONSIBILITIES

- 16.1 The role of the Committee is to oversee the implementation of this Policy and to approve the Annual Return on the Charter submission as it relates to owners and the factoring policy.
- 16.2 All staff are required to have an awareness of this policy, with those staff in housing and property management and finance having a working knowledge of the policy and its procedures and ensuring their appropriate implementation, including ensuring the property register is accurately maintained.

17. COMPLAINTS

- 17.1 Complaints regarding the factoring service will be referred, in the first instance, to the Association's Director. If the matter is not resolved, owners will be advised to complain under the Association's complaints procedure details of which are on our website and available from our office.
- 17.2 If an owner remains dissatisfied and feels that we have not carried out our factoring duties nor adhered to the Property Owners' Code of Conduct, then redress may be sought from the

**First Tier Tribunal Housing and Property Chamber
First-tier Tribunal for Scotland
Glasgow Tribunals Centre
20 York Street
Glasgow
G2 8GT**

**Telephone: 0141 302 5900
Fax: 0141 302 5901**

To take a complaint to the Homeowner Housing Panel, homeowners must first notify their property factor in writing of the reasons why they consider that the factor has failed to carry out their duties or failed to comply with the Code. The property factor must also have refused to resolve the homeowner's concerns or have unreasonably delayed attempting to resolve them.

In some instances, the title deeds may allow for disputes to be referred for arbitration to the Lands Tribunal.

18. POLICY REVIEW

- 18.1 We will review this policy on factoring on a three yearly basis or earlier in the event of changes in legislation, guidance or practice.