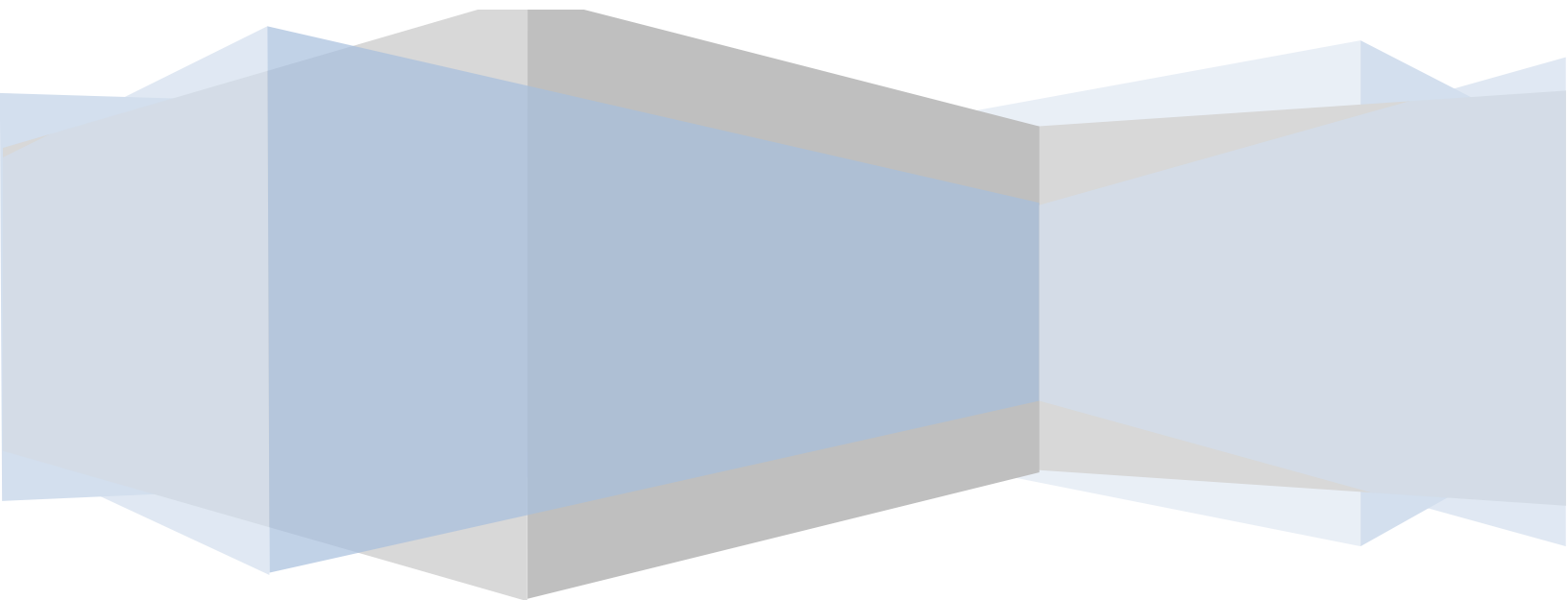




FACTORING POLICY

February 2025



All Policies are available on tape, in braille and translation into most languages. Please ask a member of staff if you would like this policy in a different format.

Date of Policy Review: February 2025
Date of Committee Approval: 25 February 2025
Date of Next Review: February 2028

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| SCOTTISH HOUSING REGULATOR STANDARDS | <p>STANDARD 1: The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.</p> <p>STANDARD 2: The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.</p> <p>STANDARD 3: The RSL manages its resources to ensure its financial well-being and economic effectiveness.</p> <p>STANDARD 4: The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.</p> <p>STANDARD 5: The RSL conducts its affairs with honesty and integrity</p> |
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1. INTRODUCTION

1.1 Background

Cathcart & District Housing Association (CDHA) is a registered social landlord and has factoring responsibilities for some 441 privately owned properties located mainly in mixed-tenure flatted blocks. Since the transfer of the Glasgow Housing Association houses in the Cathcart & Mount Florida area, the number of factored properties increased by 99.

CDHA recognises that providing a comprehensive, efficient service to owners in mixed-tenure properties ensures proper maintenance and repair of common areas and consequently benefits its tenants. In blocks that are wholly owned or where the majority of properties are privately owned, the Association will continue to provide a factoring service but only for so long as a majority of owners choose to retain it as factor.

1.2 Division of Responsibilities

CDHA will ensure that staff and CDHA Management Committee responsibilities in relation to the management of this Policy are clear.

The Management Committee's role is to agree on policy and evaluate performance. Staff members have overall responsibilities for co-ordinating and monitoring factoring services activities. CDHA's role is to deliver the services agreed in this policy, monitor performance and develop the service, reporting as appropriate to the Committee of Management.

CDHA is responsible for advising owners on any major investment matters which may affect them. CDHA will provide technical support on any project details, costs and the formal process of consulting with owners to seek their consent.

CDHA co-ordinates the administration of the factoring service, issues owners with regular accounts, arranges common buildings insurance cover, deals with all enquiries relating to charges, deals with re-sales and non-payment, and repairs proposals which do not arise from the CDHA capital programme. It also offers a point of contact for owners and others wishing advice on any aspect of the factoring service.

2. PRINCIPLES, AIMS & OBJECTIVES

CDHA recognises that owners are key stakeholders in communities and Neighbourhoods. This policy is designed to ensure that owners have the opportunity to play a full part in sustaining this community.

CDHA will keep owners informed about how the service operates, owner responsibilities and how CDHA as factor will discharge its responsibilities.

This policy is consistent with but does not intend to replicate the Deeds of Conditions. It makes provision for effective property management and seeks to ensure proper accountability between owners and the factor in line with the Property Factors (Scotland) Act 2011, Code of Conduct for Property Factors and our Statement of Services.

The policy sets out the way in which CDHA will work with owners. The objectives of the policy are:

- To ensure that service users receive a value-for-money service.
- To inform owners of the services they can expect and to ensure these are provided efficiently.
- To ensure that properties are maintained to a high standard through regular maintenance and, where necessary through major investment.
- To comply with the Code of Conduct for Property Factors.

3. EQUAL OPPORTUNITIES

This policy complies with CDHA's Equality and Diversity Policy. CDHA recognises its proactive role in valuing and promoting diversity, fairness, social justice and equality of opportunity by adopting and promoting fair policies and procedures.

CDHA will regularly check this policy and associated procedures for their equal opportunity implications, taking appropriate action to address inequalities likely to result or resulting from their implementation.

4. LEGAL AND REGULATORY FRAMEWORK

In formulating this Policy, the terms of the Property Factors (Scotland) Act 2011, the requirements of the Scottish Housing Regulator, relevant statutes, performance standards and good practice outlined in documents such as "Raising Standards in Housing" have been recognised.

The Deed of Conditions is a legal document which forms part of the title deeds to a building or group of buildings. It lays down the detailed rights, duties and obligations of every owner within the building in relation to common areas. It identifies the common areas and provides arrangements for the management, maintenance and repair of the property, the division of costs between owners and procedures to appoint a factor and resolve disputes.

Common areas vary between blocks and generally include items such as roofs, gutters, external walls, common stairwells, stairwell lighting, common drains, and common garden ground.

5. FACTORING SERVICES POLICY

This Policy covers the following functions and activities:

- The role of the factor
- Repairs and maintenance
- Major investment works

- Management and administration charges
- Recovery of costs
- Information and consultation arrangements
- Potential future services or service enhancements

The Role of the Factor

The purpose of the services provided by a factor is to assist owners in meeting their obligations to repair and maintain the common elements of their property as required by the Deed of Conditions, Property Factors (Scotland) Act 2011 and the Code of Conduct for Property Factors.

A factor, acting on behalf of owners, is responsible for the general management and administration of the property and has the following responsibilities and levels of authority:

- To ensure the property is adequately insured
- Arrange for the property to be properly maintained
- Invoice owners for their share of all costs associated with insurances and the maintenance/servicing of the building. To recover any such outstanding costs by various methods available under the Deed of Conditions, common law or relevant legislation.
- Arrange owners' meetings in order to make decisions on management issues or repairs/improvement proposals
- Undertake the reasonable instructions of owners acting as a group
- On the sale of a flat, the apportionment between seller and purchaser, of management, insurances, services, maintenance and repairs charges.

Repairs and Maintenance

CDHA has an approved list of contractors who will deliver a common repairs service on behalf of CDHA.

CDHA will ensure that repairs costs are competitive and that all contractors have clear policies and procedures in place to successfully deliver the repairs service. Full details of contracting arrangements may be found in the Repairs and Maintenance Policy document.

Repairs Reporting

Repairs may be reported to CDHA by telephone, letter, in person, or through our website.

Repair requests received by CDHA will be assessed and passed to the relevant contractor for attention unless the repair is expected to cost in excess of the consultation thresholds (see below), in which event consultation with owners will be undertaken by staff. Following the consultation process, repairs will be instructed or withheld on the majority vote of owners.

The authority to instruct low-cost routine repairs below the consultation thresholds OF £2,000 has been in response to feedback from owners.

Payment for all repairs above £2,000 will be required to be paid in advance.

Arrangements are being made to ensure that owners receive as much prior notification of repairs and their cost in advance of the work taking place, regardless of the cost being below the threshold level. Where prior notification cannot be achieved, owners will be advised of the repair taking place and its cost as soon as practical on completion of the work.

Consultation will normally be by written communication or through meetings convened by the factor in accordance with the terms of the Deed of Conditions.

Through these means, the factor will provide owners with:

- Details of the work to be carried out and why it is needed.
- The method of appointing a contractor to carry out the works.
- Information on the likely start date and duration of the works.
- An estimate of the cost.
- If appropriate, the process for applying for grant assistance.

Consultation Thresholds

The consultation threshold figures indicated below are those specified in the Deed of Conditions. These are adopted in this policy.

Tenemental Blocks

£2,000

Decisions taken by the owners of the majority of the properties are legally binding on all owners in a block. Owners generally have one vote for each property they own.

CDHA when acting as factor, have the authority to instruct necessary interim works for the protection of the property, the safety of owner-occupiers or the general public pending the outcome of consultations with owners on necessary remedial works.

Major Investment

CDHA is committed to a major programme of investment. This involves undertaking necessary repairs and improvements to properties in which CDHA has an ownership interest. It will encourage and as far as is practicable, assist owners to participate in works proposed in relation to the common elements of their block.

The Association will provide owners with information on the investment programme and consult with them on how this can be delivered. It will on request, advise prospective owners of planned major works before they purchase their flat.

Management Fee

A management charge is payable by co-owners receiving the factoring service. The charge which represents the cost of administering and carrying out property management duties will be reviewed annually.

Recovery of Costs

CDHA's role in providing a factoring service to owners forms an important part of its operations. It is essential that the services to owners are well managed and that the

costs of providing them are recovered from those to whom they are provided. CDHA agree financial targets to be met annually as part of the Business Planning process.

Calculation of Charges

Common repair costs are apportioned between owners, generally in the proportion of one equal share in respect of each flat in the property.

Where incurred by CDHA, professional fees associated with major or non-standard works are recharged to owners.

Where common services such as grass cutting, stair cleaning, backcourt maintenance, stair lighting etc. are provided, owners within the block will be required to contribute their proportionate share of the cost. This is billed to owners quarterly or half yearly as part of their Common Charge bill.

Charges for services relate to the costs incurred by CDHA in the provision of that service. In addition to examining the structure for charges, charges will be reviewed annually, and any proposed changes will be notified to owners in advance.

Billing Arrangements

The management fee, insurance and any service costs will be billed in arrears on a quarterly or half-yearly basis in the months of April, July, October and January.

Payment Arrangements

CDHA expects owners to settle their common charge accounts within fourteen or thirty days of receipt. Owners who anticipate having difficulty making payments are invited to contact CDHA to discuss the reason for the difficulty.

Where an owner fails to pay, CDHA will take steps to make contact to determine the reason and, where appropriate, to agree to a mutually satisfactory arrangement for payment.

In the event of late payment of sums owed, the Deed of Conditions permits the factor to charge interest on the outstanding amount at the rate of 10% per annum. This provision will be used at CDHA's discretion.

Where CDHA has been unable to (a) make contact with an owner, (b) agree on a satisfactory payment arrangement, or (c) an owner has failed to meet the terms of a payment arrangement agreed upon previously, the Association will instruct legal action or implement other appropriate measures to recover the debt. The Association will seek to recover its costs in pursuing the debt.

For costs associated with major improvements, CDHA will agree on a repayment plan with owners depending on the amount to be repaid (excluding grant) and the individual circumstances of the owner. Providing the repayment plan is adhered to; no interest will be charged on the outstanding balance or legal action instituted to pursue the debt.

Information Provided to Owners

CDHA will keep owners well informed about how the service operates, owner's responsibilities and how the factor discharges those responsibilities on their behalf.

Information will be provided by the following means:

- A Statement of Services which is available on our website
- Annual details of core charges provided in writing in April each year
- Half yearly Newsletters
- Programme of improvement work in the local area
- Proprietors' Meetings and written information on any major common repairs works
- The availability of staff within CDHA's offices who will provide information about the factoring service. Attendance of staff at any required owners' meetings.

6. PERFORMANCE MONITORING

Examples of standards against which CDHA will measure performance include:

- (a) Number and percentage of service charge accounts issued recovery of income in different categories
- (b) Number and percentage of owners in arrears,
- (c) Costs of providing factoring services and numbers of staff engaged in providing the service
- (d) CDHA service provided in terms of cost and quality
- (e) Customer service, complaints

CDHA will meet the reporting requirements detailed in this policy.

This will involve regular reports being made available to CDHA's Committee of Management on issues raised and performance against targets, including an analysis of reasons for targets not being met and any recommendations for policy/procedural change.

Performance targets have been set in relation to this policy. Key targets and performance against targets will be included in a CDHA annual performance report, the details of which will be made available to owners.

7. POLICY REVIEWS/ CONSULTATION

CDHA will review this policy every three years or more frequently if significant developments take place e.g. the need to respond to new legislation/Policy guidance. Reviews will consider legislative, performance standards and good practice changes.

Reviews of this policy will be undertaken in consultation with owners' groups, and other service users.

8. CUSTOMER SERVICE

Confidentiality

All information given by customers in relation to this Policy will be treated as strictly confidential and will not be discussed with third parties without their permission. CDHA will comply with the requirements of the Access to Personal Files Act 1997, the Data Protection Act 2018 and UK GDPR in this regard.

Staff will not discuss matters relating to a Factored property with anyone other than the owner who will be required to answer a security question. In order to discuss an account with a third party other than their legal representative, we require a specific consent form signed by the owner or a legal document stating that the third party is the Executor or has Power of Attorney.

Customer Satisfaction

CDHA is committed to a high level of customer satisfaction in the delivery of this Policy, seeking continuous improvement. Satisfaction with the full range of services provided by CDHA will be measured regularly, including the effectiveness of the objectives of this policy, and results will be disseminated to owners.

CDHA will carry out ongoing customer satisfaction surveys on the effectiveness of the objectives of this Policy, carrying out ongoing customer satisfaction surveys and disseminating results into the effectiveness of the objectives of their own policies.

Complaints

Our aim is to get it right first time. However, CDHA has published its own Complaints Procedure. The procedure can be used where there is dissatisfaction with this policy or its operation. The Complaints Procedure is available as a separate document from CDHA and, as with all our policies, can be made available on tape, in Braille, in large print or in translation.

Appendix 1: CDHA Factoring Service

CDHA Support

- Co-ordinate the provision of services to owners.
- Ensure that policies and procedures accord with the Property Factors (Scotland) Act 2011 and the Code of Conduct for Property Factors and other legal requirements.
- Produce/procure information material on relevant topics.
- Provide owners with information on reactive common repair works costing over the consultation threshold. Arrange for work to be instructed if authorized by a majority.
- Issue quarterly or half-yearly service charge accounts. Compile and issue major works accounts. Undertake recovery procedures, including legal action.
- Deal with all enquiries/complaints relating to costs /quality leasing as necessary
- Provide local information, and assist owners receiving factoring service.
- Ensure the views of factored owners are recognised when services and major programmes are being developed.
- Provide common services (such as cleaning of common areas and garden maintenance). These services will be coincidental with the services provided to associated rented stock.
- Consult owners on planned and cyclical maintenance programmes.
- Consult owners on major investment works proposals, make appropriate arrangements for effective management of work, and provide temporary accommodation if necessary.
- Using templates provided by CDHA, complete and issue owners with record of major works proposed, timescales, costs, and results with contractors.
- Develop funding mechanisms, including access to grant assistance and, if appropriate, savings/loan schemes, which may assist owners in meeting the costs of major repairs works. Co-ordinate (and directly administer procedures associated with such schemes.
- Co-ordinate the activities of Project Officers, who will assist in the organisation of and directly contribute to the implementation of a range of owner consultation procedures (block and grouped block meetings, postal consultation etc).

Provide templates for all correspondence and other printed matters associated with such procedures.

- Arrange buildings insurance and provide directly to owners, information on costs, level of cover and related issues.

Administer the collection of premiums and votes taken, methods of payment etc.

- Where necessary, identify if interim common work is required for safety reasons or protection of the property, pending the owners' decision on what permanent works are to be carried out. Instruct contractor.
- Provide CDHA with information on common services costs, e.g. close cleaning, backcourt maintenance etc. and the addresses at which they are provided.
- Apportion, management fee, insurances, and service/repairs charges between buyer/seller when properties are sold.

**Appendix 2:
Cathcart & District Housing Association
Equality Impact Assessment**

| | | | |
|---|--|--|----------|
| Name of policy to be assessed | Factoring Policy | Is this a new policy or a review? | Review |
| Person completing the assessment | Lorraine Glasgow, Finance & Office Manager | Date of Assessment | 14/02/25 |

| | |
|--|--|
| 1. Briefly describe the aims, objectives and purpose of the policy | <p>The purpose of the policy is to set out the approach to the provision of the factoring service by the Association.</p> <p>The objectives of the policy are:</p> <ul style="list-style-type: none"> • To ensure that service users receive a value-for-money service. • To inform owners of the services they can expect and to ensure these are provided efficiently. • To ensure that properties are maintained to a high standard through regular maintenance and, where necessary through major investment. • To comply with the Code of Conduct for Property Factors. |
| 2. Who is intended to benefit from the policy? (e.g. staff, applicants, tenants, staff, contractors) | Factored owners |
| 3. What outcomes are wanted from this policy? (e.g. benefits to customers) | <ul style="list-style-type: none"> • To provide an efficient and effective factoring service to owners. |

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|---|--------------------------------|--------------------------------|------------------|------|---------|------------------|-------------|--------------|---------------------|----------------------|-----------------------------|------------------------|
| <p>4. Which protected characteristics could be affected by the policy (tick all that apply)</p> <table> <tr> <td>Minority Ethnic:</td> <td>Age:</td> </tr> <tr> <td>Gender:</td> <td>Religion/belief:</td> </tr> <tr> <td>Disability:</td> <td>Transgender:</td> </tr> <tr> <td>Sexual Orientation:</td> <td>Maternity/Pregnancy:</td> </tr> <tr> <td>Marriage/civil partnership:</td> <td>Socio-economic status:</td> </tr> </table> | | | Minority Ethnic: | Age: | Gender: | Religion/belief: | Disability: | Transgender: | Sexual Orientation: | Maternity/Pregnancy: | Marriage/civil partnership: | Socio-economic status: |
| Minority Ethnic: | Age: | | | | | | | | | | | |
| Gender: | Religion/belief: | | | | | | | | | | | |
| Disability: | Transgender: | | | | | | | | | | | |
| Sexual Orientation: | Maternity/Pregnancy: | | | | | | | | | | | |
| Marriage/civil partnership: | Socio-economic status: | | | | | | | | | | | |
| <p>5. If the policy is not relevant to any of the protected characteristics listed in part 4. State why and end the process here.</p> <p>This policy is equally applicable to all and has no detrimental impact on protected characteristic groups as specified within the Equality Act 2010.</p> | | | | | | | | | | | | |
| <p>6. Describe the likely positive or negative impacts the policy could have on the groups identified in part 4.</p> | <p>Positive Impacts</p> | <p>Negative Impacts</p> | | | | | | | | | | |
| | | | | | | | | | | | | |
| <p>7. What actions are required to address the impacts arising from this assessment?</p> | <p>N/A</p> | | | | | | | | | | | |

Signed: Lorraine Glasgow

Date: 14/02/25