



# **FACTORING POLICY**

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# Cadder Housing Association Ltd

## Factoring Policy

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## 1.0 INTRODUCTION

- 1.1 Cadder Housing Association (the Association) is a registered social landlord, which evolved through two housing stock transfers from the then landlord and factor, Scottish Homes in the 1990s. The Association operates on a 'not for profit' basis and is run by an elected Management Committee, consisting mainly of local residents who employ a staff team to manage the Association on a day to day basis.
- 1.2 The Association is registered as an approved factor with the Scottish Government as detailed within the Register of Property Factors (Registration No. PF000259).
- 1.3 This document outlines the Association's Factoring Policy, which is one of the key documents we produce.
- 1.4 The underlying principles of this policy are for it to be:

**Consistent** - whereby all factored owners are treated in a similar manner when receiving the service.

**Open** - with access to the policy document being made available to all who receive the service. Information will be made available at all stages in the service we provide.

**Responsive** - the policy document will enable staff to respond to factoring issues.

**Accountable** - the policy will take account of views from Cadder owners, staff, Committee and any other relevant party.

**Non-Discriminatory** - the policy will be compliant with our aim to embrace equality and diversity as well as being non-discriminatory. The Association will observe equality of opportunity to ensure fair treatment to all service users without discrimination or prejudice based on the grounds of age; disability; gender reassignment; marital / civil partnership status; pregnancy / maternity; race; religion or belief; sex or sexual orientation.

**Confidential** - all information provided for the purposes of carrying out our factoring service to individual owner occupiers will be treated as confidential. Information will not be passed on or discussed with any other person or organisation without the applicant's permission, apart from where the Association is legally required to do so. Where Committee members are required to address issues relating to individual owner occupiers, we will ensure that the identity of the individual is not provided to Committee.

**Accessible** - the Association will ensure that this policy is made available in required formats. We will also promote the service we provide through the Association's website, owners handbook, newsletters, satisfaction surveys and annual reports.

## **1.5 Equal Opportunities**

- 1.5.1 The Association will ensure that the Equality Act 2010 is adhered to during its operation of this policy. We will ensure that all residents and other customers are treated fairly across all Association policy and practice areas.

## **1.6 Consultation**

- 1.6.1 Consultation with the community and resident participation has always been one of the key aspects of the way in which the Association operates.
- 1.6.2 Any consultation on this policy will be with owners who receive the Association's factoring service.

There are two strands to policy consultation:

- ❖ We believe it is important to inform all residents when a policy review is due, together with some information on the proposed changes to the Association.
  - ❖ To invite feedback from owners on how well they feel the proposals address their needs.
- 1.6.3 The Associations Resident Participation Strategy was approved by the Management Committee in August 2015 and outlines our commitment to providing information and consulting with residents on our policies and in particular the ones that affect them.
- 1.6.4 We will notify owners (and tenants) of planned works through separate communications to affected properties through our newsletters and website.
- 1.6.5 Prior to replacement works commencing in each close/area we will conduct close meetings to discuss specific issues associated with contract works (specification, colours, timescales, costs, etc.).

## **1.7 Policy Aims and Objectives**

- 1.7.1 The aims and objectives of this policy are to:
- ❖ Ensure it complies with all relevant legislation and good practice.
  - ❖ Ensure that factoring practice is carried out effectively and efficiently to minimise disruption and costs, while maximising the quality of the service we provide.
  - ❖ Monitor the factoring service through effective performance management systems.
  - ❖ Be clear and easy to understand.
  - ❖ Training on the Factoring Policy will be given to staff.

## **2.0 LEGAL, GOOD PRACTICE & REGULATION**

2.1 This policy takes account of current legislation and good practice guidance.

2.2 The following lists the areas used for reference in the formation of this policy:

### 2.2.1 Legislative:

- Housing (Scotland) Act 2014
- Property Factors (Scotland Act) 2011
- The Equality Act 2010
- Housing (Scotland) Act 2010
- Housing (Scotland) Act 2006
- Tenements (Scotland) Act 2004
- Title Conditions (Scotland) Act 2003
- The Abolition of Feudal Tenure (etc.) (Scotland) Act 2000

### 2.2.2 Good Practice:

- Factoring Services in Scotland (Scottish Housing Regulator)
- Management & Maintenance of Common Property (Scottish Government)
- Factoring Guidance 2015 (Scottish Federation of Housing Associations)
- Code of Conduct for Property Factors (Scottish Government)
- Glasgow Factoring Commission Report (2014)

### 2.2.3 Regulation:

Section 31 of the Housing (Scotland) Act 2010 introduced the Scottish Social Housing Charter which sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. The Scottish Housing Regulator monitors social landlords' compliance with the Outcomes. The Association's Factoring Policy will take account of and comply with the relevant Outcomes contained within the Social Housing Charter. These are:

- Outcome 1 - 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, and receives fair access to housing and housing services.
- Outcome 2 - 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.
- Outcome 3 - Social landlords manage their businesses so that tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.
- Outcome 6 - Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that tenants and other customers live in well-maintained neighbourhoods where they feel safe.

- Outcome 13 - 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.
- Outcome 14 - Social landlords set rents and service charges in consultation with their tenants and other customers so that a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them.

The Scottish Housing Regulator has six Regulatory Standards, which all Scottish registered social landlords must meet. This policy is aligned to Standards 1, 2, 3 and 5 of the SHR's Regulation Framework:

- Standard 1 - The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- 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.
- Standard 3 - The RSL manages its resources to ensure its financial well-being and economic effectiveness.
- Standard 5 – The RSL conducts its affairs with honesty and integrity.

2.3 As landlord and factor, Cadder Housing Association accepts the responsibility for providing a range of services for all the properties under its control.

2.4 The costs involved in providing a factoring service will be borne in the first instance by the Association and then recharged to the appropriate owners. Where planned common works are identified by the Association, we shall notify all affected residents to advise of the nature of the works, whilst advising any home owners of costs, so as to provide owners with an opportunity of planning for this area of expenditure. We will also advise owners of any available grants or possible cover through building insurance.

### **3.0 STRATEGIC AIMS & VALUES**

3.1 This Policy is aligned and informed by the Association's Strategic Aims and Core Values. These are:

#### **3.2 Strategic Aims:**

- I. Provide a high quality housing service that is continually responsive to the expectations of our tenants and other customers;
- II. To engage and build relationships with our customers to ensure our service and activities meet their needs and aspirations of our tenants and other customers;

- III. To invest in our people to ensure they have good knowledge and skills to excel in their role within the Association;
- IV. Pursue development, regeneration and wider role initiatives in close working with key partners with the aim of improving Cadder, as well as the quality of life and living conditions of tenants and residents in Cadder; and
- V. Maintain the financial viability of the Association through sound business planning, control and achievement of best value in all that we do.

3.3 The Association identified core values associated with our commitment to improve the 'customer journey' in our services, which was integral to our achievement of Investors in People (Silver) accreditation in July 2015. These values (Our 4 'Cs') are:

- ✓ Customer Focussed
- ✓ Communication
- ✓ Caring
- ✓ Commitment

## 4.0 FACTORING DEFINITION & KEY DOCUMENTS

### 4.1 Factoring Definition

4.1.1 The Property Factors (Scotland) Act 2011 defines a Property Factor as:

'a local authority or housing association which manages the common parts of land used to any extent for residential purposes and owned:

(I) by two or more other persons

or

(ii) by the local authority or housing association and one or more other person and a local authority or housing association which manages or maintains land which is available for use by:

(i) the owners of any two or more adjoining or neighbouring residential properties

or

(ii) the local authority or housing association and the owners of any one or more such properties, but only where the owners of those properties are required by the terms of the title deeds relating to the properties to pay for the cost of the management or maintenance of that land'.

4.1.2 The Factor is the agent appointed by owners to carry out a factoring role. This role includes:



- ❖ The provision of a Written Statement of Services;
- ❖ The enforcement of title deeds and other property management conditions;
- ❖ Maintenance and inspection of communal areas and property;
- ❖ Administration;
- ❖ Setting up accounts for new owners;
- ❖ Holding proprietor meetings;
- ❖ Accounts management;
- ❖ Raising and collection of charges from owners for common repairs and services.

## **4.2 Key Documents**

### **4.2.1 Deed of Conditions**

The Deeds of Conditions is a formal legal document (which may form part of the Title Deeds of a property) outlining the rights and responsibilities of the owner in relation to the common parts of the property. The deed defines the common parts, rights of access, provision for maintenance and share of repair costs to be met by each owner, voting rights, insurance, duties of the factor and provision for the resolution of disputes between owners. It applies to all owners of a property in succession of re-sales.

### **4.2.2 Overarching Deed of Conditions**

As part of the overarching Deed of Conditions, Cadder Housing Association maintains and repairs all open spaces within its boundary of operation. Clause 9<sup>th</sup> of the Overarching Deed of Conditions confirms that each owner shall be responsible for paying an equal share of the cost for the upkeep and maintenance of common land within the designated feuing boundary.

### **4.2.3 Title Deed**

The Title Deeds define the location of an owner's property and tells them about their rights & responsibilities for their property and their shared responsibilities for the block. They may also say who owns the common parts and tells owners about their obligation to manage & maintain them.

Where Title Deeds are silent with regard to owner responsibilities, the Association will refer to the Tenements (Scotland) Act 2004 for guidance on the owner's rights and responsibilities on how common repairs may be carried out and recharged.

### **4.2.4 Written Statement of Service**

A Written Statement of Service is issued to all owners by the Association. This sets out the terms and service delivery standards provided by the Association to each owner.

The Association will provide a Written Statement to:

- Any new owner within 4 weeks of CHA receiving formal notification and agreeing to provide the Factoring Service to them

- Any new owner within 4 weeks of being made aware of a change in ownership, where CHA already provides the factoring service
- Any owner at the earliest opportunity (not exceeding 1 year) if there is any substantial change to the terms of the Written Statement

The Written Statement will include:

- ❖ A statement on what authority we have to act as factors to the owners within the property;
- ❖ The core services the Association provides. This will include response times for both common, routine & emergency works;
- ❖ Details of non-core services provided;
- ❖ The management / administration fee charged at the time of issue and the review process for determining any change to this;
- ❖ What percentage of charges for common works and services are the responsibility of owners;
- ❖ Details of the common insurance policy;
- ❖ Confirmation that the Association has a debt recovery procedure which is available on request;
- ❖ Any arrangement for taking payments at termination of service;
- ❖ Any arrangement for the collection of payment from owners for specific agreed major works or cyclical works, confirming amounts, payment and repayment (at change of ownership or termination of the service);
- ❖ The invoice process, including when and how owners will receive their bills;
- ❖ The payment collection process, including timescales and payment methods;
- ❖ The complaints process, including how to make an application to the First-Tier Tribunal;
- ❖ Information on how owners can change or terminate factoring services.

#### 4.2.5 Factoring Agreement

A Factoring Agreement summarising the conditions relating to share liability, management fee, repairs and expenditure limits, float level, emergency repair powers, invoicing period, insurance details common service liability, cyclical maintenance provision and procedures relating to change of ownership will be signed by all owners to formalise the contract between the Association and the participating owner.

## **5.0 SERVICES**

5.0.1 To enable the Association to provide a comprehensive factoring package to owners of tenemental properties the following services are offered.

### **5.1 Building Insurance**

5.1.2 The Association will insure all of the properties concerned under our block policy. The amount of cover is provided as block cover, which can then be averaged out amongst the number of individual properties concerned. In this way the prospect of individual properties being under insured does not arise. However, if an individual wishes a specific amount of cover for his/her property, this can be arranged.

5.1.3 Owners are obliged to maintain the annual premiums for such insurance cover and, if called upon to do so, are obliged to display the requisite insurance policies or renewal certificate to the Association. The majority of tenement owners purchase the cover provided by the Association. Where an owner decides to obtain cover from another insurance provider, proof of cover will be required to be provided to the Association. If such proof is not forthcoming, the Association will opt the owner into the Association's block policy. This will be confirmed in writing to the owner, with cover details and costs detailed.

5.1.4 The Association will seek to obtain best value when arranging block policy insurance. The policy cost will be charged annually to owners.

5.1.5 It should be noted that this policy is only in respect of building insurance, copies of which can be made available upon request. The insurance does **NOT** include home contents insurance. Owners should arrange contents insurance on an individual basis. The Association holds prospectuses and application forms for Thistle Tenants Risks Insurance ([www.thistletenants-scotland.co.uk](http://www.thistletenants-scotland.co.uk)), who also provide cover to owners at competitive rates.

5.1.6 Cottage owners are able to purchase building insurance via the Association's block policy.

5.1.7 The tenants' content insurance scheme (Thistle Tenants Risk) is also available to owners.

### **5.2 Common Repairs**

5.2.1 The Association will carry out all common repairs. Repairs covered under the heading 'common' include the following:

- ❖ The roof - which includes all slates or tiles, timbers, the loft space, roofing felt, flashing's, leadwork, gutters, parapets, chimney heads and chimney stacks
- ❖ External stonework (where this is defined in the title deeds), roughcast, brickwork and gable ends (where the tenement is not adjoined by another tenement).
- ❖ Downpipes
- ❖ The rising cold water main pipe on your side of the building

- ❖ The common close and staircase including steps, bannisters and balustrades
- ❖ The front steps and any porticos or decorative entranceways
- ❖ External steps, balustrades and wrought iron works
- ❖ A controlled entry door and common electrical circuitry
- ❖ Close tiles and/or plasterwork
- ❖ A rear close door or gate, any stairs leading to the backcourt and any rear close access areas
- ❖ All parts of the back court including fences, railings, gates, bin stores or bin shelters, common drying areas including washing poles, grassed or earthed areas, gravel beds and hard standing areas; retaining walls
- ❖ Some (but not all) front garden areas
- ❖ Drains and underground pipes
- ❖ The solum and foundations
- ❖ Gable wall

The Deed of Condition for each property will confirm precise details.

- 5.2.2 Repairs are classified as either emergency, urgent or routine. An emergency repairs service is in operation out with office hours. Owners must be sure when calling out emergency contractors that the repair is of a common nature and is an emergency, otherwise the owner will have to meet the full costs of the call out.
- 5.2.3 The maximum expenditure limit for routine common repairs is set at £1,000 per tenement. Where a repair is likely to reach this limit, the Association will whenever possible, consult with owners beforehand. Repair costs in excess of this limit will be referred to owners for majority approval. If any single item of work is likely to exceed £100 per household, the Association will try to notify owners in advance as a matter of courtesy, except where work is necessary on grounds of Health and Safety or to avoid deterioration in the building.

### **5.3 Cyclical Maintenance**

- 5.3.1 The Association has developed a cyclical maintenance programme to avoid properties falling into disrepair. These are larger jobs that occur over a fixed period of time. Types of work covered by this category would include close painting, roof works and gutter cleaning.
- 5.3.2 Meetings will be held with owners to discuss proposals/expenditure on cyclical maintenance. However, once in place, as with common repairs, consultation with proprietors will only be necessary where work would exceed £1,000 per individual contract.
- 5.3.3 The costs of these cyclical works will be recharged to owners in the first 6 monthly account after the work has been completed.

### **5.4 Planned Maintenance / Major Repairs**

- 5.4.1 The Association, or any owner, may call a meeting of all of the proprietors in a block to discuss issues regarding planned maintenance and major repairs. A minimum of 14 days written notice must be given to all parties before any such meeting can convene. Owners may be represented by proxy. In terms of a quorum, the minimum requirement is that the Association and any other two owners are represented at the

meeting. Instructions may be issued to the Association (as factor) at any meeting with regards to any of their duties as factor.

5.4.2 Under the provisions of the Tenement (Scotland) Act 2004 the local authority can become involved with issues common to a property, such as roof repairs, where there are two or more owners and the property is in decline due to the non-agreement of all interested parties to maintain the property. In addition under the provisions of the Housing (Scotland) Act 2006, the local authority may through its scheme of assistance be able to offer useful advice and information to owners whose properties are in a state of disrepair.

## 5.5 Procurement

5.5.1 All services and contractors will be procured in line with the Association's Procurement Policy. These are:

<b>Value of Service / Works</b>	<b>Procurement Method</b>
£500 to £2,500	Contract works up to the value of £2,500 can be issued with a works order where it is a contractor of the Association. In situations where it is a bespoke work request out with the scope of our contractors, then the staff should secure an estimate for works.
£2,500 to £5,000	Contract works between £2,500 - £5,000 require a quotation based on the value of works. Quotations should be sought from contractors or suppliers on the Association's List of Contractors.  Expenditure below £5,000 does not require to be advertised as it is cost prohibitive and not best use of our resources.
£5,000 to £25,000	Expenditure between £5,000 and £25,000 requires at least 3 written estimates. Works or services in this value range can either be advertised to attract a reasonable response from suitably qualified and experienced contractors, consultants or suppliers e.g. housing e-newsletter, local media, or quick quote facility on the Scottish Government's procurement web-portal, Public Contracts Scotland, etc. Alternatively, qualified contractors can be approached to submit written estimates.
£25,000 to EU procurement levels	Expenditure between £25,000 and below EU Procurement levels has to be advertised through the Scottish Government Procurement web-portal, Public Contracts Scotland.
Values Above EU Procurement Levels	Expenditure above EU Procurement levels, must under OJEU Rules be formally advertised through Scottish Government Procurement web-portal, Public Contracts Scotland

- 5.5.2 In emergency situations works necessary to address issues of health and safety or property integrity may be instructed by senior staff without estimates or tenders.
- 5.5.3 Approved contractors / suppliers are regularly reviewed by the Association to ensure that the following criteria is met:
- Best value in terms of cost, response, service standards etc. is provided
  - Existing proven track record of provision, based on references, known performance etc.

## **5.6 Utility, Common and Service Charges**

- 5.6.1 Includes charges for common power supply, stair lighting service, backcourt maintenance, stair cleaning, door entry maintenance and any other service that is provided for the benefit of the common property.

## **5.7 Estate Management Fee**

- 5.7.1 Forms a charge for the open space maintenance, boundary fences and walls, pathways and other public areas that are owned by the Cadder Estate as a whole.

## **5.8 Administration**

- 5.8.1 A computerised system detailing the properties, repairs reported, work carried out costs etc, will be used to implement, record and charge for any works undertaken.

The following list of information will be held on file and updated as required:

- ❖ Ownership details and contact address where the owner does not reside at the property.
- ❖ Title Deed (where available)
- ❖ Factoring Agreement (where completed)
- ❖ Proof of insurance cover will be maintained on file. Where the owner is not included on the Associations block policy a copy of cover held by the owner will be retained on file. Should the owner not provide a copy of any individual building insurance policy, the Association will include that property in its block policy and the charge the owner for this cover.
- ❖ Accounts issued to owners, payments received and outstanding balances will be recorded on a spreadsheet and updated when payments are received.
- ❖ Works orders and invoices from contractors will be copied and maintained on file for all common works.
- ❖ Owner enquiries.

## **5.9 Selling Owners**

- 5.9.1 Where a change of ownership takes place, the Association will liaise with the outgoing owner's solicitor to provide a final account within a reasonable timescale. Solicitors are required to give a minimum of four weeks' notice of a forthcoming sale to allow the calculation of the outgoing owner's common charges. Charges will be apportioned according to the date of entry. A standard fee of £20 is charged to the outgoing owner for changes in ownership and providing relevant documentation – insurance certificates etc.

5.9.2 Upon notification, the Association will issue a 'Welcome Pack' to the incoming owner. This will include:

- A Written Statement of Services (This will be issued within four weeks of the Association being notified of the sale).
- A Factoring Agreement (For the new owner to complete)
- Block building insurance details
- Content insurance details
- The Association's summary complaints policy
- Standard charges
- How to Pay leaflet

## **6.0 FACTORING CHARGES**

6.1 Owners will be billed six monthly on 1 June and 1 December.

6.2 A Management / Administration Fee (Tenements / Cottages) to cover staff time, stationery, postage etc. will be set annually and reported to the owners by 28 February each year, with the increase taking effect from the 1 April. This fee will be kept to a minimum and will reflect the different costs to the Association of providing the service to tenemental or cottage type stock but must be set at a level to cover the Association's costs for providing a factoring service. Invoices will be 6 monthly. The Association is a non-profit making organisation and charges will be set to cover the costs for services provided.

6.2.1 The Management / Administration Fee is charged for the provision of the following services to owners:

- Arranging maintenance and repair of the block common parts
- Liaising with contractors and tendering for the best service and price
- Working with an insurance Broker to achieve an arrangement for the owners within the block and handling claims in respect of common areas
- Processing and paying contractors invoices
- Calculating each owner's share of the cost of work carried out and/or planned
- Raising and issuing invoices to each owner
- Processing payments and negotiating with individuals on payment arrangements where appropriate
- Pursuing individuals in relation to outstanding accounts
- Dealing with all queries about the nature and standard of the work or invoices issued both in writing and by telephone
- Working together with solicitors to recover outstanding debts on behalf of the owners within the block
- Liaising with electricity companies, to make sure all common charges (where applicable) are accurate and fair, make payment of electricity invoices and recover the cost from the owners within the block
- Staff time dealing with other ad-hoc owner enquiries / complaints

6.3 The Association encourages payment by the Direct Debit method. Where a debt is owed to the Association, an arrangement must be made to clear this debt within a reasonable time period, if the owner is unable to settle the account in full. To avoid any debts, The Association encourages owners to make a regular monthly payments.

- 6.4 Building Insurance premiums, service charges, environmental maintenance charges and repair and cyclical maintenance charges will all be billed on the next 6 monthly account following completion of the work etc.
- 6.5 Owners will be allowed to inspect any invoices and accounts for services or works carried out and billed to them by calling at the office.
- 6.6 The method used to apportion costs amongst owners will be as detailed in the Deeds of Condition and is usually a fraction e.g. an eighth if a property has eight flats.
- 6.7 Owners are obliged to pay their share of these charges within 21 days after the request for payment is made. In the event that such sums are not paid to the Association within 21 days, the Association is entitled to charge interest on the outstanding balance at the rate of 4% per annum above the base lending rate of the Bank of Scotland. If the sum in question remains outstanding the Association is entitled to take appropriate legal action to recover all sums due.

## **7.0 NON- PARTICIPATING OWNERS**

- 7.1 Owners who refuse to participate in the Association's factoring service will be subject to the conditions detailed in their titles with regard to common repairs. In these instances owners will be charged an additional 10% on works costs to cover administration costs.
- 7.2 Payment of Missing Shares (Section 50 Housing (Scotland) Act 2006)
  - 7.2.1 Where the majority of owners within a property in common ownership agree to undertake common repair/maintenance works, the Council may pay the missing shares of the minority who are unwilling or unable to participate (with an individual share being above £300 which may be subject to change).
  - 7.2.2 Monies will be paid into a maintenance account to facilitate the works and the Council will subsequently pursue these owners for recovery of their full share of the costs on completion of the works plus an additional charge of 15% to cover all professional, administrative and legal expenses.

## **8.0 PAYMENT & ARREARS**

- 8.1 The early identification of debtors and prompt initiation of recovery procedures is essential to maximise income. Owners are requested to settle their accounts within 21 days of issue. If payment is not received within 21 days the following procedure will be adopted. 'How to Pay' leaflets will be issued with invoices, so as to inform owners of the various payments options that are available and to maximise payments. These options are also available on the Association's website.
- 8.2 The Association will pursue all debts accrued by owners and initiate legal action where required and this economically viable to do so, with any legal costs incurred being the liability of the owner. Repayment plans will be entered into where the owner is unable to settle the debt outright. We shall encourage Direct Debits as the preferred payment method and confirm arrangements in writing.



- 8.3 In order to manage arrears, we will use an integrated IT based factoring management system. The information contained in the system will be kept up to date to ensure that all owner's details and all information in relation to a property's share of costs and account details are accurate.
- 8.4 We will make owners aware of the Association's free Financial Inclusion Service, who can provide benefits / money advice and where required, sign-post on to specialist debt services.
- 8.5 If no contact is made or payment arrangements are broken, the Association will then consider taking further recovery action. In cases with arrears balances in excess of £500, this will include registering a Notice of Potential Liability (NOPL) against the property. The NOPL prevents any owners owing monies to the Association from selling their property without settling the outstanding amount in full first. The cost of obtaining and registering any NOPL will be re-charged to the owner. The Notice will require to be renewed every 3 years. Dependent on the number of missed payments, there may be occasions where the Association will apply for a NOPL when the arrears are less than £500. In such a circumstance, consideration will be given to the efforts made to engage with the owner, circumstances, engagement and the number of unpaid invoices.
- 8.6 The Association will also give consideration to an Inhibition Order being applied for. This is similar in nature to an NOPL, but prevents the owner from selling any land or property that s/he owns in Scotland, without settling the lodged debt first.
- 8.7 At this stage, the Association may instruct its lawyers to seek Decree. Once recovery action commences, legal and court costs will start to accumulate and all of these costs will be added to the debt and be recovered from the owner. This information will be made clear in the final reminder previously issued.
- 8.7.1 If a Decree is granted and full payment (including court/legal costs) is still not forthcoming, either in total or by means of an agreed repayment plan, we will instruct our legal representatives to carry out debt enforcement action. This may include, but is not restricted to:
- Arrestment of wages
  - Arrestment of bank accounts
  - Arrestment of rent
  - Attachment orders
  - Inhibition on property
  - Sequestration

## **9.0 COMPLAINTS**

- 9.1 The Association aims to provide a first class service to all of its residents and other customers. We aim to deal fairly and effectively with anyone wanting to complain about any of our decisions or activities.
- 9.2 Customers may make a complaint about the factoring service under the Association's Complaints Handling Procedure for a range of matters including if they feel there has been:

- A failure to comply with the Association's policy or procedures
- A failure to carry out duties in a satisfactory manner

9.3 Details of our complaints procedure are available from the Association's office or website ([www.cadderha.co.uk](http://www.cadderha.co.uk)).

9.4 Where an owner is dissatisfied with the outcome of their complaint, they are entitled to contact the Housing and Property Chamber, First-tier Tribunal for Scotland:

4<sup>th</sup> Floor  
 1 Atlantic Quay  
 45 Robertson Street  
 Glasgow  
 G2 8JB

Tel: 0141 302 5900  
 Website: [www.housingandpropertychamber.scot](http://www.housingandpropertychamber.scot)

## **10.0 COMMUNICATION / PARTICIPATION**

- 10.1 The Association recognises that good communication is the foundation for building a positive relationship with homeowners and other customers, which helps lead to fewer misunderstandings and disputes. In accordance with the Property Factors (Scotland) Act 2011, The Association as factor, will not provide information which is false or misleading, or communicate in a manner which is abusive or threatening.
- 10.2 The Association will endeavour to respond to queries within one working day, where it is unable to provide an immediate response.
- 10.3 The Association will consult and seek consent for works, where applicable. Owners will be sent a proxy voting sheet to allow owners who are unable to attend to register their vote.
- 10.4 The Association will consult with all owners when reviewing the annual Management / Administration Fee and other due charges. We shall insure that all owners are notified of the decision reached by our Management Committee in respect of the annual amounts to be paid.
- 10.5 The Association has a separate information area for owners on its website ([www.cadderha.co.uk](http://www.cadderha.co.uk)) and this will be regularly reviewed and updated.
- 10.6 The Association will also provide information to owners via its newsletter.
- 10.7 The Association recently commenced owner forum meetings and will continue with this format for future engagements.
- 10.8 Where required, we shall ensure that proprietor meetings are held to progress common works. These meetings will be chaired and minuted by the Association.

10.9 We shall take account of any findings from our main resident satisfaction survey, which is normally carried out every three years. These and other relevant findings will form an action plan, which will be the driver for resolution of issues and improved customer service.

#### **11.0 MANAGEMENT COMMITTEE ROLE**

11.1 This policy will be reviewed every three years by the Management Committee and are also responsible for setting the annual Management Fee, Administration Fee and service charge levels.

#### **12.0 REVIEW PERIOD**

12.1 This policy will be reviewed every three years or earlier, if required.

#### **13.0 MONITORING & REPORTING**

13.1 The Customer Services Manager will present information concerning the factoring role to Committee on a quarterly basis which will include:

- Value of outstanding debts
- Action taken to recover debt from owners
- Number of arrears cases
- Comparative information