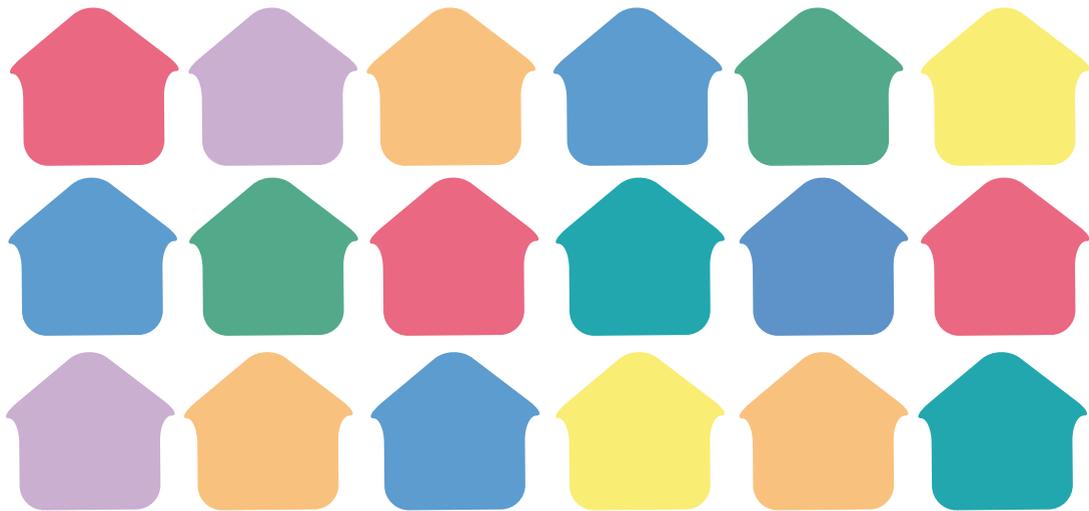


# Have your Say!



**Annual Review of  
Management Fee, Buildings  
Insurance & Service Charges  
2019/20**



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# ANNUAL REVIEW OF MANAGEMENT FEE, BUILDINGS INSURANCE AND ESTATE MANAGEMENT FEE 2019/20

**The Association has continuing and rising costs to meet and we must ensure that we cover our costs to provide high quality services to our residents. In order to do so, we must review the amounts charged to owners and tenants each year to achieve this objective.**

We would like to hear your views on our proposals in respect of the management fee, buildings insurance and service charges.

The income that we collect from owners in tenements throughout the year helps the Association to look after properties, maintain the estate and provide a range of customer focussed services.

Unfortunately the costs involved in looking after these areas increases each year. This is due to rising inflation making things like materials and repair work more expensive.

We aim to keep costs affordable and increases to a minimum to ensure that we have the correct level of funding in place to cover our expenditure.

Our management (factoring) fee is comparable to our peer group and substantially lower than a number of neighbouring housing associations.



You are invited to submit any views you may have on our proposals for 2019/20.

The closing date for comments to be submitted is **Friday, 11 January 2019**. Residents can submit their views in a range of ways, which are outlined at the rear of this booklet.

# BUILDINGS INSURANCE

## Insurance for Tenements Flats

The Association is seeking views from its tenement owners with common areas on the provision of insurance cover provided through the block insurance policy organised by the Association.

The Title Deeds for the properties provide a range of conditions for the provision of insurance.

- Some Title Deeds state that the factor can insist on the owners of properties requiring insurance for common areas to take the insurance arranged by the factor.
- Some Title Deeds state that the owners of the properties within a block can arrange a vote and if a majority of owners agree, all owners need to insure their properties through a common block policy.

The provision of a Common Insurance Policy for Factored Owners via the Association has a number of benefits for the owners. These include:

a. The title deeds may require the Owners to insure under a common policy arranged by the Factor – for compliance reasons, it is important to adhere to these requirements.



- b. Owners will benefit from having a single policy wording covering the entire building (excluding contents). This makes dealing with common area claims easier and quicker.
- c. The benefit of a common policy means that in the event of a common area claim, then only one insurance company is involved in the repairs. In the absence of a common policy, each owner would need to engage with their own respective insurer and loss adjusting companies and this will invariably slow down the claim process.

# BUILDINGS INSURANCE

- d. In terms of point C, there will be difficulties in co-ordination between the various parties and in this situation, who would take the lead in managing this claim?
  - Owners insurers would not take instructions from the Association.
- e. In the event of a common area claim, then all owners will pay a single share of the policy excess when in a common claim situation ( e.g. roof claims) whereas in the situation where all owners arrange separate insurances, then an excess per claimant would be required.
- f. Each owner will benefit from having a Chartered Insurance Broker represent their interests to assist with managing the claim.
- g. All owners' policy costs are negotiated together – this means that you will benefit from a cost reduction due to collective bargaining power.
- h. The Association's block policy benefits from an average fee condition. That is to say that the policy does not include an under insurance provision, it is for full reinstatement. Most policies that are arranged by owners outwith the Association's block policy may include an average clause, which can significantly reduce the claim amount in the event



- of under insurance. By being included in the Association's block policy, you will be protected from this risk.
- i. The Association's owners block policy includes cover for Terrorism. In the event of a terrorism covered incident, then it would be essential that all owners benefit from this cover, otherwise problems for the block reinstatement would likely happen.

# BUILDINGS INSURANCE

Currently 182 of the 192 factored tenement properties insure through the block policy offered. The remaining 10 owners arrange their own buildings insurance for the property. The number of owners organising their own insurance has increased over the last few years.

Each year the Association has to contact these owners to request copies of the insurance cover arranged. This is to check that the entire block is adequately insured due to the common parts being insured through multiple policies. The additional work in obtaining the information and verifying the level of cover increases the staff time and costs of managing the factored insurance services of the properties.

As part of improving the services and minimising costs the Association is seeking views on amending the factored insurance arrangements and cover provided through the block policy. The options being considered are:

## **Option 1:**

Wherever possible to arrange for all properties within a block to be insured through a single policy applying the rules within the title deeds for the properties. This would provide the benefits highlighted of a common policy for the owners



of the properties and reduce the costs incurred by the Association in managing situations involving multiple policies.

## **Option 2:**

Continue with the current arrangement of allowing owners to arrange their own buildings insurance should they wish to continue.

The Association would welcome your views on the options being considered as owners who will be affected by the outcome of the decision.

# SETTING THE MANAGEMENT FEE

## Factoring Management Fee

As landlord and majority owner in tenement properties, the Association accepts the responsibility for providing a range of services to meet owners' responsibilities in their common close and the Cadder area. The costs of providing a factoring service will be borne in the first instance by the Association and then charged to owners. All owners are invoiced on a six monthly basis, on the 1st of June and the 1st of December, for the periods October to March and April to September respectively.

To cover the Association's costs in operating the service, a management fee is included in the charge.

The following costs are included in the fee:

- Staffing costs
- Communication with maintenance contractors
- Account updating
- Invoices
- Building Insurance claim procedure and administration
- Postage and stationery
- Arrears Recovery Process
- Property Factors Registration costs
- Attending to owners' queries (E.g. - estate issues; neighbour complaints; invoices and ad-hoc matters)



# SETTING THE MANAGEMENT FEE

## Management Fee Amount

The Association is committed to maintaining the Management Fee amounts due by owner occupiers at a fair level, which is sufficient to fund the service.

We have carried out a thorough review of the time staff are dealing with owners, who account for 40% of Cadder households. Staff spend a considerable amount of time with owners on a range of issues, such as, neighbour complaints; estate issues; council issues; factoring bills and other issues.

### Proposed Management Fee Charges for 2019/20

**Tenement Owners** – it is proposed to increase the factoring management fee from £110.31 to £113.80 per annum.

We feel that our factoring management fee continues to offer good value for money to owners in Cadder and is considerably less than the factoring management fee charged by a number of neighbouring housing associations, who have an average charge of £176.84 per annum.

### Proposed Levels

**Tenement Owners:**

From £110.31 to £113.80 per annum



# SERVICE CHARGES

**The Association is a 'not for profit' organisation and is committed to only covering its costs in administering and delivering additional services in the Cadder area. The additional services that we undertake are: -**

## Close Cleaning Service

The close cleaning service was introduced to ensure that all closes are cleaned to a good standard. The service also responds to urgent issues in closes, such as spillages, fouling, etc.

The Association delivers this service each week to 104 closes through its estate caretakers.

On comparing our close cleaning charge with a number of other

housing associations in the north-west Glasgow area, the Association's charge was found to be the lowest, with an average difference of £3.26 per month.



## Proposed Close Cleaning Charge for 2019/20

It is proposed to increase the close cleaning charge from £6.27 to £6.46 per month.

### Proposed Level

From £6.27 to £6.46 per month



# SERVICE CHARGES

## Estate Management Service

The Estate Caretaking Team provide an extensive service in the maintenance and upkeep of your neighbourhood. Together they provide an invaluable service in maintaining the estate and have undertaken improvements in many areas of Cadder.

We know that the upkeep of the estate is important to our residents and that the work of our estate caretakers is widely appreciated. In our most recent resident satisfaction survey, 94% of respondents felt that the Association looked after the estate well.

### Proposed Estate Management Fee for 2019/20

The Association's estate management service is provided for the benefit of all Cadder residents – tenements and cottages. The service attends to estate wide issues, such as upkeep of open spaces / common pathways; bulk uplift; de-littering; backcourt maintenance and keeps the general estate to a high standard.

It is proposed to increase the estate management fee for tenement owners from £144.70 to £146.55 per annum. This pays for the maintenance of the backcourt area (grass cutting; weekly clean-up of bin chambers; shrubbery /

### Proposed Levels

#### **Tenement Owners:**

From £144.70 to £146.55 per annum

bushes and ad-hoc works). The charge also contributes to the costs for the upkeep of open areas in the Cadder estate, as is detailed within the Deed of Conditions and Written Statement of Services.

The Association is a 'not for profit' organisation and is committed to only covering its costs in providing estate services to our residents.

# SERVICE CHARGES



# WHAT ARE YOUR VIEWS?

Each year, the Association's Management Committee consider any views from all tenants and owner-occupiers in making a decision on the annual rent, service charges and management fee levels.

You can register your views in the following ways: -

- By completing and returning the enclosed questionnaire
- By writing to the Association (20 Fara Street, G23 5AE)
- By visiting the Association
- By telephoning the Association (0141 945 3282)
- By e-mailing the Association (enquiry@cadderhousing.co.uk)
- By asking for a staff member to visit you at your home (if you are housebound)
- By visiting our website – [www.cadderha.co.uk](http://www.cadderha.co.uk)
- By attending a focus group meeting at the Association's offices on either Tuesday, 8 January, 11am or Thursday, 10 January, 2pm. Please contact Carley Neilson at the Association if you would like to attend a meeting

## How we will take account of your views

We will report your views to the Management Committee at their meeting in January 2019 to enable them to make an informed decision in advance of any increases to be applied. We will then write to all tenants and owner-occupiers by the end of February 2019 to inform them of the decisions made by the Management Committee in the review of charges for 2019-20.



We will enter all respondents into a prize draw for a £25 voucher for Cadder Hills Café, which is located within Cadder Community Centre.





CADDER HOUSING ASSOCIATION, 20 FARA STREET, GLASGOW, G23 5AE.  
TEL: 0141 945 3282

E-mail: [enquiry@cadderhousing.co.uk](mailto:enquiry@cadderhousing.co.uk) Web: [www.cadderha.co.uk](http://www.cadderha.co.uk)

Opening Times: Mon-Thu (9am-4.30pm), Fri (9am-4.00pm).

\*On the last Wednesday of each month the Association closes for staff training and opens from 1pm-6pm.