



Policy Title:	Factoring
Policy Manual Section:	Housing Management
Policy Number:	HM21
Performance Standards References:	AS5:2
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1.0 Background

- 1.1 Govan Housing Association provides services to owners in properties where the Association has an interest. This may be due to the Association's involvement in the property's refurbishment or development or an ownership interest.
- 1.2 The Association's factoring service is a property management service provided to domestic homeowners and commercial owners covering buildings insurance, ground burdens, cyclical and planned maintenance, common repairs, estate management and administration.

2.0 Aims and Objectives

- 2.1 The Association will comply with statutory requirements, and Scottish Housing Regulator Guidance and Performance Standards for Registered Social Landlords published by the Scottish Housing regulator, SFHA and COSLA.
- 2.2 The Association aims;
 - To ensure the efficient and effective upkeep of all its properties and common elements and areas;
 - To clearly define the respective duties and responsibilities of Owners and the Association;
 - To provide both value for money and a responsive service to Owners;
 - To take firm and prompt action when emergencies and problems occur;
 - To develop and encourage the fullest participation by Owners in the factoring process and decisions affecting their property;
 - To ensure that Owners are informed on issues, policies, procedures and respective responsibilities; including the Association's Complaints Procedure;
 - To liaise with other appropriate organisations and agencies in providing an effective factoring service for example Glasgow City Council.
 - To regularly monitor and evaluate all aspects of the factoring service and review policies and procedures as required.
- 2.3 The Association has separate written policies and procedures covering other services, such as Maintenance (procurement, tendering, response time, etc.) and Estate Management that relate to the overall Factoring Services package provided.

3.0 Factoring Being Assumed

- 3.1 Where the Association is involved in the refurbishment of properties and is the majority owner, or has the agreement of the majority of owners, it will assume the role of factor at the date when the refurbishment works are completed and off site.

- 3.2 Where the Association is a minority owner or has no ownership in a property or shop, owners have greatest rights/responsibilities as set out in Deeds of Condition, the Association will consider whether it wishes to factor the property or not. There would have to be some advantage to the Association to assume the role of factor in these circumstances. Each case would be considered on its own merits and a decision made taking all information into account.

SECTION 2

1.0 The Association's Property Management Service to Owners

1.1 Building Insurance

- 1.1.1 It is the responsibility of the Association to ensure that all the properties it owns and factors are adequately insured. It is a standard clause in Deeds of Condition that it is mandatory to ensure the whole building.

- 1.1.2 Most domestic owners are required to join the Association's Block Comprehensive Buildings Insurance Policy. The only exceptions are owners of flatted properties in Govan C where they purchased the property prior to December 2004 and owners of main door properties where the properties do not join any other flatted dwellings. Commercial owners may retain their own insurance cover provided it is adequate to cover the rebuilding of their property. An annual review of the insurance cover held by owners not on the Association's Block Policy, will take place to ensure adequate building insurance is maintained. Should commercial owners fail to provide sight of their insurance details annually, they will be placed on the Association's block policy and invoiced accordingly.

- 1.1.3 The Association's Maintenance Department will manage claims relating to common repairs on behalf of owners.

1.2 Repairs

- 1.2.1 Owners are responsible for their share of the cost of common repairs as per their Title Deeds. Examples of common repairs are repairs to the structure of the building (e.g. internal and external walls, close stairs and access, and roof repairs).

- 1.2.2 Owners can see copies of repair accounts on request.

- 1.2.3 In the event of an emergency, the Association will instruct the necessary repair without prior consultation with owners. The term "emergency work" is understood to mean work to the common parts of the building, which is necessary to ensure the safety of the occupants, the public or the property itself.

1.3 Cyclical and Planned Maintenance

- 1.3.1 In order to maintain the fabric of all properties the Association will undertake cyclical maintenance to the common areas, e.g. gutter cleaning and close painting. Windows and doors specific to owner occupied properties will not be included. Details of the cost of such additional items will be advised in advance. The

Association will seek tenders in accordance with its tendering policy and advise owners of the accepted quote; the nature of the work; and their share prior to the commencement of the contract.

- 1.3.3 Consent for all works will be as per the Title Deeds. For major improvement works, owners may be asked to pay a percentage of the cost prior to commencement of the work.
- 1.4 Owners responsibilities
 - 1.4.1 Owners must ensure that any damage to the common parts of the property are reported to the Association as soon as reasonably possible.
 - 1.4.2 Owners are responsible for the arrangement of house contents insurance cover to insure personal possessions against loss or damage caused by fire, flood, theft accident etc.

SECTION 3 – ADMINISTRATION OF SERVICE

1.0 Collection of Payments for Services Supplied by Other Agencies

- 1.1 An annual charge for the electricity use to power communal fan systems, TV amps door entry systems as billed by the electricity supplier.
- 1.2 An annual charge for the maintenance of stair lighting as billed by Glasgow City Council.
- 1.3 An annual charge for the maintenance of any communal heating systems.

2.0 Sale of Property

- 2.1 Owners should notify the Association when they intend to sell or dispose of property factored by the Association and their solicitor should provide details of the new owner and contact details.
- 2.2 Where a solicitor or agent requires details or information to complete a sale, the Association must be provided with full details of the new owner and written confirmation that retention monies will be held to settle any outstanding common charges.. On or within seven days of the date of sale, full accounting will take place with regard to the final apportionment of repairs, management fee and insurance due. Any overpayment will be refunded.
- 2.3 Failure by solicitors or agents to agree to Para 2.2 will result in the Association withholding the information.
- 2.4 An apportionment fee will be passed on to the seller when the final account is issued by the Association to cover administrative cost incurred in relation to the provision of information on ownership of the property, outstanding works and insurances.

2.5 Where a Solicitor requests copies of plans or certificates to facilitate a sale, a search fee will be charged and must be paid prior to any information being supplied.

3.0 Management Fee

3.1 The Association's Management Fee will be reviewed annually as part of the budget setting process and revised in line with any proposed increase in the Association's charges. Account will be taken of all costs of running the factoring service to ensure any proposed revision is sufficient to cover all costs.

4.0 Invoicing

4.1 All costs and charges are invoiced twice a year, in arrears, and cover the period 29 March to 28 September and 29 September to 28 March. These invoices will be payable within 28 days. The Property Accounts Officer must agree any arrangement for weekly or monthly payments by owners.

5.0 Arrears

5.1 The Association will recover all debts due by Owners and will raise court proceedings where necessary, seeking not only the sums outstanding but also any legal cost incurred to date.

6.0 Payment Facilities

6.1 The Association seeks to offer owners a range of payment methods. These currently include:

- Payment by Standing Order
- Payment by Bank Giro Credit
- Payment by Post

7.0 Complaints Procedure

7.1 The Association is committed to the provision of a high standard of service to all residents. Where any owner is dissatisfied with any respect of the Association's service, they should make reference to the Association's Complaints Procedure, which is available from the Association's Office.

8.0 Review

8.1 This policy will be reviewed every three years.