



Factoring Policy

Policy Manual Section:	Factoring
Policy Number:	FIN04
Scottish Social Housing Charter Reference:	1. Equalities 2. Participation 3. Communication 13. Value for Money
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Govan Housing Association can provide this document on request, in different languages and formats, including Braille and audio formats.



1. Introduction

- 1.1 This policy details how Govan Housing Association Limited (hereafter referred to as the Association) will provide factoring services to owners.
- 1.2 The Association will offer a factoring service to homeowners whose properties fall within its area of operation.
- 1.3 The Association is committed to providing an efficient and effective factoring service.
- 1.4 The factoring service is located within the Customer Services Department and is managed by the Director of Customer Services and the Factoring Team.

The purpose of the factoring service is to provide a safe, high quality living environment for all occupiers, ensuring that the fabric of the building and common areas are maintained to a high standard and ensuring adequate insurance cover (where applicable) for the properties we manage.

- 1.5 The Association's provision of a factoring service will be dependant on owners making payment when requested.
- 1.6 The factoring service covers the following activities:
 - Provision of advise, information and obligations
 - Provision of Written Statement of Service
 - Management of repairs and maintenance to common areas
 - Management of services
 - Provision of estate management services
 - Arranging / ensuring adequate buildings insurance cover (where applicable)
 - Managing communal insurance claims
 - Consultation with owners and arranging owners meeting when necessary
 - Accounts management and invoicing
 - Debt collection and arrears management

2. Policy aims

The following principals govern the effective operation of this Policy:

- 2.1 Services will comply with the Property Factors (Scotland) Act 2011, associated Code of Conduct (revised 16th August 2021) and all relevant legislation on consumer protection, financial services, consumer credit licences, title conditions, health and safety, data protection and equalities.

- 2.2 Services will be financially sustainable and affordable to homeowners, with no cross subsidy from the Association's rental income.
- 2.3 Services will achieve the Scottish Social Housing Charter outcomes for owners in relation to participation, communication, and continually improving value for money.
- 2.4 The Association's advice to owners will be impartial and factual in relation to both works required and actions necessary for compliance with Title Deeds / Deed of Conditions.
- 2.5 The Association will account clearly for monies held on behalf of owners. We shall require a float in respect of each property managed and will encourage owners to contribute to provisions or reserves for future repairs and maintenance.

3. Legislation and Compliance

- 3.1 The Association will ensure that it conducts its business in a manner that complies with relevant legislation.
- 3.2 The Association's Factoring Service will be delivered in accordance with the following legislation:
 - The Title Conditions (Scotland) Act 2003
 - The Tenements Scotland Act 2004 – The Tenement Management Scheme
 - The Housing (Scotland) Act 2006 and 2016
 - The Property Factors (Scotland) Act 2011 – The Code of Conduct (Revised 16th August 2021)
- 3.3 The Scottish Social Housing Charter (the Charter) was approved by resolution of the Scottish Parliament on 14th March 2012 and came into effect from 1st April 2012.

It contains a total of 16 outcomes and standards that social housing landlords should aim to achieve. The Associations staff will work to meet these outcomes and standards.

- 3.4 Other regulatory and legislative framework which is relevant to the provision of the factoring service includes:
 - European Union Directives;
 - The Construction, Design and Management Regulations 1994;
 - Health and Safety at Work, etc. Act 1974;

- The Control of Asbestos at Work Regulations 2002;
- Legionella: The Approved Code of Practice;
- The Occupiers Liability (Scotland) Act 1960;
- Equalities Act 2010;
- Data Protection Act 2018 (GDPR).

4. Background

- 4.1 The Property Factors (Scotland) Act 2011 was introduced by the Scottish Government and established the requirement for a Register of Property Factors and a Property Factors Code of Conduct. The Code of Conduct conveys the minimum standard of practice required when providing a factoring service.

A review of the Code of Conduct was carried out and a revised Code came into effect on 16th August 2021. The revised Code of Conduct now includes Overarching Standards of Practice.

The Association's operation of the factoring service reflects the Property Factors (Scotland) Act 2011 and the Code of Conduct referred to in section 14 of the Act. The Association is a Registered Property Factor - Registration No PF000200.

- 4.2 Section 2(1) of the Property Factors (Scotland) Act 2011 sets out the definition of a property factor.

Meaning of "property factor" -

(1) In this Act, "property factor" means:

(a) a person who, in the course of that person's business, manages the common parts of land owned by two or more other persons and used to any extent for residential purposes,

(b) 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,

(c) a person who, in the course of that person's business, manages or maintains land which is available for use by the owners of any two or more adjoining or neighbouring residential 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), and

(d) 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.

4.3 Section 10(5) of the Property Factors (Scotland) Act 2011 sets out the definition of a homeowner.

“homeowner” means:

(a) an owner of land used to any extent for residential purposes the common parts of which are managed by a property factor, or

(b) an owner of residential property adjoining or neighbouring land which is—

(i) managed or maintained by a property factor, and

(ii) available for use by the owner.

5. Objectives

The objectives of this policy are to ensure that the Association:

5.1 Maintains registration as a Property Factor;

5.2 Maintains an accurate and up to date portfolio list on the Property Factors Register;

5.3 Develop, implement and reviews a suite of procedures to ensure legal compliance;

5.4 Issues detailed information about charges and payment methods via itemised invoices;

- 5.5 Has a clear and transparent approach to setting and revising management fees which demonstrates that costs are accurately identified, apportioned and recovered.

Annual reviews of operating costs will inform any management fee changes, which will be notified to owners in accordance with their Written Statement of Services;

- 5.6 Account clearly for monies held on behalf of owners including advance payments, floats and separate interest-bearing cyclical maintenance funds where applicable;
- 5.7 Takes appropriate action to recover all monies due and prevent the accumulation of high arrears: this will be carried out in accordance with the Factoring Debt Recovery Procedure;
- 5.8 Provides owners the opportunity to participate in the Association's decision making processes in relation to factoring, promote owners meetings and encourage owners to form owners associations;
- 5.9 Conducts regular customer satisfaction surveys and appropriate development specific consultations;
- 5.10 Devise and implements action plans in response to consultation findings;
- 5.11 Provides owners with relevant good quality information in accessible formats including Written Statements;
- 5.12 Informs owners about the impact of their feedback on service delivery improvements and
- 5.13 Implement, maintain and use efficient operating systems and digital communication.

6. Implementation

- 6.1 The Management Committee, in its formal approval of the policy, accepts full responsibility for the policy and ensuring its implementation.
- 6.2 Day-to-day responsibility for the operation and monitoring of this policy lies with the managers of the Association.
- 6.3 All relevant staff have a responsibility to ensure that the policy is applied as instructed.

6.4 The policy will be implemented through:

- Ensuring appropriate procedures are in place for compliance with the policy
- Regular review and improvement of procedures
- Complying with the Code of Conduct and the terms of the Written Statement of Service in accordance with the Property Factors (Scotland) Act 2011
- Setting targets for debt recovery and customer satisfaction and monitoring our performance against targets
- Informing staff of policy and procedural requirements, amendments and changes and provide regular staff training on property factoring issues

7. Complaints

7.1 The Association has a clear written procedure for dealing with complaints, which outlines the steps we will take when a customer is dissatisfied with our policies, the way these are implemented or the level and quality of service provided.

7.2 The Association welcomes complaints and positive feedback, both of which provide information which helps us to improve our services. We use a Complaints Handling Procedure (CHP) developed by the Scottish Public Services Ombudsman (SPSO) and the Scottish Housing Regulator.

7.3 The CHP allows for most complaints to be resolved by front line staff within a five day limit (first stage) or, if the complaint is complex, a detailed investigation will be made by a manager within a 20 day limit (second stage).

7.4 The Complaints Policy and Procedure will be provided to all customers at point of purchase or commencement of the factoring service (and no longer than four weeks) and will be included within the factoring Owners Handbook. (A copy will also be available upon request and on the Association website.)

7.5 The Association will keep a record off all complaints received, including the outcome of the complaint and any improvements to our services implemented as a result.

7.6 If owners are dissatisfied with the Associations final response to their complaint, and they believe we have failed to carry out our factoring duties, comply with the Code of Conduct or unreasonably delayed attempting to resolve a complaint, they can seek a resolution via the Housing and Property Chamber First Tier Tribunal for Scotland.

Glasgow Tribunals Centre
20 York Street
Glasgow
G2 8GT
0141 302 5900
HPCAdmin@scotcourtribunals.gov.uk

- 7.7 In certain circumstances title deeds may allow for formal arbitration about disputes in relation to the title deeds, and such matters may also be referred to the Lands Tribunal. The Association cannot offer legal advice to owners but can signpost them to relevant sources of advice and information including information about any applicable fees.

8. Monitoring and Responsibility

- 8.1 The Association will comply with the Property Factors (Scotland) Act 2011 and Scottish Governments guidance on registration as a property factor, the annual maintenance of the properties and land portfolios and the Property Factors Code of Practice.
- 8.2 The Association will comply with the Scottish Housing Regulator (SHR) Regulatory Framework for social housing and guidance for monitoring the Associations performance in achieving the outcomes and standards in the Charter.
- 8.3 The following areas will be subjected to monitoring on a regular basis:
- Compliance with the policy, through regular review of relevant policies and procedures and strong cross department and subsidiary working relationships;
 - Ensuring staff are appropriately trained, are familiar with duties and requirements imposed by the Code of Conduct and have the knowledge required to provide a high quality factoring service; and
 - The adequacy of insurance cover and risk management, through regular tendering for insurance services and risk assessments carried out on a cyclical basis in accordance with the Group Risk Management Policy.
- 8.4 The following areas will be subjected to monitoring on a regular basis and reported to the Management Committee on a quarterly or annual basis:
- Levels of customer satisfaction through customer feedback, satisfaction surveys and analysis of the complaints procedure;

- Levels of factoring arrears;
- Benchmarking of average management fees and satisfaction rates with Scottish Housing Regulator published data; and
- Any other applicable key performance indicators.

8.5 Any matter which demonstrates a serious failure in internal controls will be reported immediately to the Chief Executive.

8.6 Periodic audits of policy compliance will also be conducted by the Internal Auditor, the outcome of which, will be reported to the Management Committee.

9. Relevant Policies

9.1 The following policies will influence the Association delivery of the factoring service:

- FIN06 Factoring Debt Recovery Policy
- G04 Group Risk Management Policy
- G05 Procurement Policy
- G06 Complaints Handling Policy
- G09 GDPR Privacy Policy
- HR16 Equality & Diversity Policy
- OPERHM08 Estate Management Policy
- OPERMA02 Planned Maintenance Policy
- OPERMA03 Rechargeable Repairs Policy
- OPERMA04 Repairs and Maintenance Policy
- OPERP03 Construction (Design and Management) Regulation 2015

10. Equality Screening

10.1 The Association is committed to equality of opportunity and embracing diversity.

10.2 In accordance with the Association's Equality & Diversity Policy, this Policy has been consciously considered to judge whether there is any likelihood that its presentation or operation could in any way lead, no matter how inadvertently, to discrimination. The conclusion of this exercise is that it is believed the Policy should operate in a non-discriminatory way.

10.3 This Policy can be made available free of charge in a variety of formats including Braille, large print, audio format or translated into a different language.

11. Policy Availability

This will be available on Govan HA's website www.govanha.org.uk

12. Policy Review

12.1 This policy will be subject to a 5 yearly review cycle or when legislation dictates.

EQUALITY IMPACT ASSESSMENT

TITLE	Factoring Policy
Strategic Outcome	Provide a compliant factoring service to owners.
What is the purpose of the proposed policy?	The purpose of the policy is to clearly set out the approach to the provision of factoring service by the Association.
Protected Characteristic Groups Affected By the Policy	<p>Age</p> <p><u>Positive Impact:</u></p> <p>The Association's commitment to providing a fair and consistent framework in relation to administering this policy is outlined within this document which will hopefully reassure and have a positive affect on people concerned about age discrimination.</p> <p><u>Negative Impact:</u></p> <p>The Factoring Policy should have no negative impact in relation to age.</p> <p>Disability</p> <p><u>Positive Impact:</u></p> <p>Disabled people may be concerned about discrimination and not being treated fairly and equally. This policy outlines the Association's commitment to treat everyone consistently and equally which will hopefully provide reassurance that discrimination will not occur.</p> <p><u>Negative Impact:</u></p> <p>The Factoring Policy should have no negative impact in relation to disability.</p> <p>Marriage and Civil Partnership</p> <p><u>Positive Impact:</u></p> <p>People who are married or in a civil partnership may be a group who faces discrimination directly or indirectly with assumptions being taken about what their relationship means. This policy clarifies that all people should be treated with fairly and consistently and discrimination will not be tolerated.</p> <p><u>Negative Impact:</u></p> <p>The Factoring Policy should have no negative impact in relation to marriage and civil partnership.</p>

Pregnancy and Maternity

Positive Impact:

This policy clarifies that all staff will be treated equally with regards to absence management. Women affected by pregnancy or maternity will be included within this and will not be treated differently or unfairly.

Negative Impact:

The Factoring Policy should have no negative impact in relation to pregnancy and maternity.

Race

Positive Impact:

People may be concerned about racial discrimination and not being treated fairly and equally. This policy clearly outlines the Association's commitment to treat everyone fairly, consistently and equally which will hopefully provide reassurance that discrimination will not occur in relation to the Factoring Policy.

Negative Impact:

The Factoring Policy should have no negative impact in relation to race.

Religion or Belief

Positive Impact:

This policy clarifies that all people should be treated with fairly and equally and discrimination will not be tolerated. People who hold religious or other beliefs can be a group that faces discrimination, either directly or indirectly. This policy has been designed to positively reassure people who are religious and hold a belief that they will not face discrimination of any sort in the Association in relation to this policy.

Negative Impact:

This policy should have no negative impact on those with religious or other associated beliefs.

Gender

Positive Impact:

People may be concerned about discrimination and that they will not be treated fairly and equally because of their gender. This policy clearly outlines the Association's commitment to treat everyone consistently and equally which will hopefully provide reassurance that discrimination will not occur in relation to this policy.

Negative Impact:

The Factoring Policy should have no negative impact in relation to gender.

Gender Reassignment

Positive Impact:

People who have or aim to reassign their gender can be a group who may be subjected to unfair treatment or behaviour. This policy clarifies that all people will be treated equally, fairly and discrimination will not be tolerated. This policy is designed to positively reassure people they will not face unfair treatment in the Association because of their gender reassignment and that steps will be taken should this occur. This message will hopefully positively deter discriminatory attitudes and behaviour.

Negative Impact:

The Factoring Policy should have no negative impact in relation to gender reassignment.

Sexual Orientation

Positive Impact:

People can be subjected to unfair treatment or not treated equally because of their sexual orientation. This policy clarifies that all people should be treated equally and discrimination will not be tolerated. Hopefully this policy will positively reassure people they will not face unfair treatment by the Association because of their sexual orientation and that steps will be taken should this occur. This message will hopefully positively deter discriminatory attitudes and behaviour.

Negative Impact:

The Factoring Policy should have no negative impact in relation to sexual orientation.