

at home with...



Factoring Policy

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1. Introduction

- 1.1 Fife Housing Association Limited (FHA) which is the entity holding the property Factor registration is a member of Fife Housing Group (FHG).
- 1.2 Through this policy we aim to provide an efficient and effective factoring service to property owners.
- 1.3 Factoring is defined as: 'a property management service offered to property owners to co-ordinate and carry out work on their behalf, usually in respect of repairs, improvements (with the agreement of affected owners), maintenance, insurance and administration'.
- 1.4 This policy encourages good relations with owners and ensures all properties and common areas are adequately maintained. In particular, through effective management we aim to ensure that the asset value of both our properties and the properties we factor are protected.

2. Objectives

- 2.1 To ensure the efficient and effective upkeep of all our properties, common elements and common areas.
- 2.2 To clearly define both our duties and responsibilities as Property Factor and those of property owners.
- 2.3 To ensure value for money is obtained for both us and our customers.
- 2.4 To allow owners to participate in cyclical and major works programmes.
- 2.5 To develop and encourage the participation by owners in the factoring processes and decisions affecting their property.
- 2.6 To ensure that owners are consulted and informed on issues, policies, procedures, and respective responsibilities that affect them.
- 2.7 To liaise with other appropriate organisations and agencies in providing an effective factoring service. These can include but are not limited to: the Scottish Government, the Scottish Factoring network, Environmental Health, Cleansing, Street Lighting and Insurance Companies.
- 2.8 To regularly monitor and evaluate all aspects of the factoring service and review and revise the policies and procedures as required.

3. Written Statement of Factoring Services

- 3.1 We will provide each homeowner to whom we provide factoring services with a Written Statement of Services. This Written Statement sets out our responsibilities as the Factor and will be issued when we agree to provide services to homeowners; to new homeowners at any change of ownership of a property which we already factor or if there are any changes made to the terms of the Written Statement.
- 3.2 In preparing the Written Statement we will take account of any formal legal documentation including applicable property titles as well as the terms of the

Property Factors (Scotland) Act 2011 and the revised Code of Conduct for registered property factors.

4. Code of Conduct

- 4.1 We have put in place a Code of Conduct for Board members, colleagues and involved residents to uphold the highest standards of probity and conduct.
- 4.2 The Code defines the conduct required of everyone involved in delivering the Group's business activities. It provides guidance on how to ensure our actions and behaviour are consistent with both our values and the high standards of conduct that are required to maintain confidence in the competence of FHA and the services it provides.

5. Legislative requirements

- 5.1 We will ensure that we comply with the provisions of the Property Factors (Scotland) Act 2011, the revised Code of Conduct for Property Factors and any other Scottish Government regulations or guidance produced in relation to Factoring.
- 5.2 We will also ensure we comply with the terms of the Tenements (Scotland) Act 2004, which applies to flatted properties where the title deeds are silent. For example, the title deeds may say something about the common stairwell but not the roof space. Accordingly, in the event of a query regarding who has ownership or responsibility for maintenance for the roof space then we would require to refer to the terms of the 2004 Act.
- 5.3 We will ensure our policies comply with duties imposed by legislation relating to consumer protection, financial services, consumer credit authorisations, title conditions, health and safety, data protection and equalities.
- 5.4 The factoring services provided for homeowners will be implemented by us subject to:
 - the applicable title deeds requiring alternative services to be provided by the Factor;
 - a majority of homeowners opting to appoint an alternative factor as permitted by and in accordance with the applicable title deeds;
 - the costs of providing the services being covered by the levying of appropriate charges; and
 - the requirement that, where possible, no factoring costs will be met by tenants over and above what tenants pay for through their rents
- 5.5 The detailed arrangements for the provision of the factoring services are described in our Factoring Procedure.

6. Properties previously bought through 'Right to Buy'

- 6.1 The Deeds of Conditions for properties previously purchased under the 'Right to Buy' contain the legal provisions relating to the provision of factoring services.

6.2 We may include further provisions on the provision of factoring services in the disposition of properties purchased under the 'Right to Buy'.

7. Responsibility

7.1 The primary responsibility for the provision of factoring services rests with the Director of Finance, Governance and Assets who is the Registered Person. This includes: the recovery of all outstanding owner-occupier debts, ensuring all complaints about the level and/or the quality of factoring services are dealt with in line with our Complaints Policy and making recommendations to the Board regarding any proposed changes to the factoring services.

7.2 In carrying out this role, the Director of Finance, Governance and Assets will liaise with the Director of Housing and the Director of Operations; each of whom also has responsibilities in the delivery of factoring services and debt recovery.

7.3 The Director of Operations will ensure all necessary repairs and improvements are carried out to an acceptable standard within our target timescales, or as otherwise agreed with owners.

7.4 With regard to cyclical and planned maintenance, major repairs or improvements, the Asset Manager will ensure details regarding contractors we are working with along with all technical and financial information, are provided to the Factoring Officer so that all required consultations can be completed with homeowners.

7.5 The Finance Manager will ensure invoices covering all charges due are raised timeously and that appropriate levels of insurance cover are maintained.

7.6 The Factoring Officer is responsible for following up all invoices once issued to homeowners to ensure payments are made timeously and to minimise arrears.

8. Insurance

8.1 We will ensure adequate Public Liability Insurance is in place for all of Fife Housing Group assets and activities.

8.2 All homeowners in mixed tenure blocks will be required to either take out building insurance themselves, and to prove this to us, or have their properties included in our block buildings insurance policy. Where the latter applies, each homeowner's share of the annual premium will be charged in the first invoice issued each financial year.

9. Information provision and consultation

9.1 To comply with the Property Factors (Scotland) Act 2011 and the revised Code of Conduct, we will ensure a Written Statement of Services is issued to all homeowners who receive a factoring service from us, as set out in section 2 of this policy.

9.2 We will arrange meetings on factoring services with homeowners as required by the 2011 Act and the revised Code of Conduct or the applicable title deeds, or in response to a specific request from homeowners.

9.3 Where any changes to services are made we will issue a revised Written Statement of Services to all homeowners affected.

- 9.4 With regard to reactive repairs, we will normally only consult homeowners in advance where a repair is not urgent and the cost of the work required exceeds £250 per property (including VAT), in accordance with the Schedule of Rates produced by Fife.
- 9.5 The Schedule of Rates referred to is a pre-priced contract that lists a series of coded works that we carry out; the cost of which having been measured and valued at competitive rates consistent with those of industry standards.
- 9.6 For all non-emergency repairs, three quotes will be sought to ensure value for money is achieved for both FHG and the homeowners concerned.

10. Procurement Policy

- 10.1 Our corporate Procurement Policy is the overarching strategy which will guide all our procurement. The definition of procurement for this strategy is the overall process of acquiring goods, works and services from suppliers and third parties and includes the whole cycle from identification of needs through to the end of a services contract or the useful life of an asset.
- 10.2 Procurement strategies will be developed or reviewed, particularly through best value reviews and for specific areas of spend e.g. development, reactive repairs, ICT, commodities, etc.
- 10.3 Whenever possible we will use competitive forces to achieve best value through direct competition and continual review. Contracts will normally be awarded to the provider offering the most economically advantageous balance of quality and cost. Occasionally non-competitive actions to secure works, services and/or supplies may be appropriate. Examples of such situations could be as follows:
- Where a contractor, consultant or supplier is uniquely placed to deliver a service or product because of their detailed knowledge of a subject and their ability to respond immediately;
 - Where the contractor, consultant or supplier is the only organisation who has access to certain essential elements of the work; or
 - Where a contractor, consultant or supplier is the only known source for all the information requested.

11. Contract management

- 11.1 We will ensure that all parties to a contract fully understand their obligations and responsibilities and fulfil them as efficiently and effectively as possible.
- 11.2 We will exercise judgement in dealing with different types of contract and supply to ensure that the right amount of resources are directed towards managing each contract based on a number of indicators, including value and risk.

12. Emergency arrangements

- 12.1 Included in the Written Statement of Services will be information detailing how we manage emergency repairs that are required within common areas.

- 12.2 Emergencies are defined as circumstances or situations which are considered dangerous or seriously detrimental to the safety of the property or persons. These repairs will be instructed out with normal procedures and whilst we will always try to alert all residents, the emergency nature of these works means that they can be carried out without recourse to homeowners.
- 12.3 Emergency repairs will be attended within four hours.
- 12.4 All emergency works will be charged to homeowners through our accounting process in line with the Written Statement of Services.

13. Repair timescales

- 13.1 Maintenance works shall be carried out by contractors in accordance with the terms of their agreement with us.
- 13.2 Routine repairs will normally be carried out within 15 working days.

14. Inspections

- 14.1 We will ensure that block and development common parts are inspected on a six-monthly basis in order to determine the condition in relation to the proposed cyclical and planned maintenance programme. We shall also carry out regular inspections of blocks and developments, as appropriate, to identify any matters of concern in relation to health and safety in general. The cyclical and planned maintenance programme may be updated by our Asset Management team when inspection reveals a more rapid deterioration or deferred should the fabric/ component be wearing better than expected.
- 14.2 In relation to routine reactive repairs, pre-inspections are carried out as and when required in order to more accurately determine the work necessary.
- 14.3 A post-inspection of works will be carried out on a sample basis in accordance with the agreement entered into between us and Contractors carrying out work on our behalf.

15. Cyclical and planned maintenance

- 15.1 We operate a programme of cyclical and planned maintenance in line with recommended performance standards. Homeowners within mixed tenure blocks will be notified of the programme of cyclical and planned maintenance for their block.

16. Defects liability in relation to new or refurbished properties

- 16.1 Where appropriate, we will advise homeowners of relevant defects liability periods.
- 16.2 Defects arising during relevant defects liability periods following construction or refurbishment are normally the responsibility of the contractor. Defects are not repairs arising through accident, negligence, wilful damage or any other external factors which could not reasonably be deemed to be the responsibility of the contractor.

- 16.3 The contractor will attend to defects within their responsibility in terms of the relevant contract at their own expense and within a reasonable timescale consistent with the severity of the defect.

17. Debt recovery

- 17.1 The Factoring Officer is responsible for the recovery of all outstanding debts owed by factored owners to us. For large debts the services of debt-recovery agents may be considered.
- 17.2 Where a contract for major works is put in place, homeowners will normally be approached and advised that they must pay their share of the cost of any work carried out on their behalf upfront. Once the major works have been completed and all sums paid to the contractors, the account shall be reconciled and any overpayments will be refunded to the relevant homeowners.
- 17.3 In the case of cyclical and planned maintenance contracts, we may agree, in certain circumstances, a payment arrangement with homeowners to ensure that their share of the costs is paid within an acceptable timescale. Where this is the case it is expected that the total debt will be cleared within six months from the date of the works completion.
- 17.4 Where factored owners take this option of funding the works through credit from FHG we will levy a reasonable interest charge, the details of which will be made clear to the homeowners at the outset.
- 17.5 Our debt recovery procedures are detailed in the Written Statement of Services.

18. Management fee

- 18.1 Each year, following a recommendation from the Director of Finance, Governance and Assets, our Board of Management will set the management fee to be charged to homeowners.

19. Apportionment of costs

- 19.1 The cost of all common repairs and maintenance carried out in terms of the Written Statement of Services shall be apportioned according to each homeowner's share of responsibility as detailed in the Title Deeds.
- 19.2 In the event that the Title Deeds do not specify the relevant responsibilities or are inconsistent or unclear with regard to each homeowner's share of responsibility then, in relation to the Block common parts, this shall fall to be determined in accordance with the Tenements (Scotland) Act 2004 and, in relation to the development common parts, the share shall be based on the number of homeowners within the development.
- 19.3 Landscape maintenance charges in relation to amenity areas shall always be apportioned on the basis of the number of properties within the development.

20. Invoicing

- 20.1 Every six months we will issue an invoice to all factored owners, detailing their share of any costs of repairs and maintenance work carried out to common areas of their Block, maintenance of common landscaping and amenity areas and/or shared services completed during that period.

21. Equal opportunities

- 21.1 We will ensure that this policy and its factoring procedures do not unfairly discriminate against any individual, household or group on the grounds of gender, gender identity, marital status, on racial grounds, or on grounds of disability, age, sexual orientation, language or social origin, or other personal attributes, including beliefs or opinions, such as religious beliefs or political opinions.

22. Training

- 22.1 We will ensure that all colleagues, and any contractors used by us, are familiar with the duties and requirements imposed by the revised Code of Conduct.

23. Terminating the factoring service

- 23.1 We will normally be prepared to act as Property Factor so long as we own at least one property within the block or development. In the event that we no longer wish to act as Property Factor for a block or development then the relevant factoring service may be terminated by us at any time. We will advise all homeowners affected in writing of any termination of the factoring service.
- 23.2 Subject to any provision within the Title Deeds, we will give three months' notice to all affected homeowners of our decision to terminate a factoring service.
- 23.3 Homeowners retain the right to dismiss us as Property Factor as provided for in the Title Deeds. If there is no specific provision within the Title Deeds for dismissing a Property Factor, then dismissal can be effected by a vote of least two-thirds of homeowners in the block or development. If two-thirds of homeowners in the block or development vote to dismiss us as Property Factor then homeowners must give at least three months' prior written notice.
- 23.4 Upon termination, we will provide affected homeowners with all financial information that relates to their account within three months, unless this is not reasonably practicable (such as where we are awaiting final bills relating to contracts which were in place for works and services).
- 23.5 Unless the Title Deeds state otherwise, we will return or demand any balance due by or to all affected homeowners within 60 days of us ceasing to act as Property Factor.

24. Complaints and performance management

- 24.1 At FHG we maintain performance information regarding complaints, factoring fees and factoring arrears. This information is reported to the Board.

- 24.2 We have a published Complaints Policy in place which sets out the series of steps, with timescales attached, which we will follow in dealing with complaints about the factoring service.
- 24.3 Where a homeowner has exhausted our Complaints Policy and is still not satisfied with the way a complaint has been handled by us or is not satisfied with the proposed resolution, they may be able to refer the matter to the First-tier Tribunal for Scotland Housing and Property Chamber Scottish Courts and Tribunal Service.
- 24.4 Contact details are as follows:
- Housing and Property Chamber
First-tier Tribunal for Scotland
Glasgow Tribunals Centre
20 York Street
GLASGOW,
G2 8GT
- Telephone - 0141 302 5900
- Email - HPAdmin@scotcourtribunals.gov.uk
- Website - www.housingandpropertychamber.scot

25. Implementation and review

- 25.1 The Director of Finance, Governance and Assets will ensure, in liaison with the other members of the Business Leadership Team, that the provisions of this policy and the supporting procedures are implemented by all concerned and that the policy is reviewed at least every three years.