



FACTORING POLICY

Date approved	15 March 2018
Review frequency	Annually
Date of next review	March 2021

OBJECTIVES

The Association aims to work with owners to maintain their closes and environs in an efficient and cost effective manner for the benefit of the residents and their neighbours.

The Association is a registered Factor under the Property Factors (Scotland) Act 2011 and will comply with the Code of Conduct as required under that Act.

STRATEGY

Repairs

The Association will carry out repairs to common parts of the close as reported by owners in accordance with the Association's policies and procedures. Day to day repairs are carried out under three categories: emergency, urgent and routine, which have target response times that are reviewed annually. Where owners request the Association to make a variation to these policies, the Association will make the variation clear to all owners in writing and will proceed with the request if mutually acceptable to all the owners and to the Association.

The Common parts of the close will be those set out in the Deeds of Conditions. If there is any uncertainty over what constitutes a common part, the owners will need to resolve the matter and advise the Association on what has been agreed and whether or not the Title Deeds have been changed to reflect their decision.

Costs will be charged to owners according to the proportions set out in the Deed of Conditions. Where works to the close eg close painting, are in areas to which shops have no access but are required to pay under the Deeds of Conditions, the Association will liaise with the owners about departing from the Deeds regarding the cost apportionment.

Factoring Administration Fee

The Association will charge a Factoring Administration Fee for the administrative costs incurred by the Association for the provision of its factoring services and will review this fee on an annual basis. This fee is charged on a flat rate basis per flat/shop.

The Association will include within the Management Fee a basic backcourt maintenance service.

Cyclical Services

The Association will introduce a stair cleaning service where requested by owners and this will be charged to owners factoring accounts.

The Association will provide a gutter cleaning service (minimum annual), an annual roof anchor safety inspection service and roof attic inspection service every five years. The cost of these services will be added to owners' factoring accounts.

The Association will provide a close painting cyclical maintenance programme for its own stock. This will include painting of closes, flat entrance doors, front and rear close doors, external metal work, close windows and flat windows (external). Owners in these closes will be consulted according to the Association's Close Painting Policy and Procedure and will be required to pay their share of the costs in advance of works being carried out. If some owners do not pay their share of the costs upfront, the Association's Technical Services Committee will make the decision as to whether or not to proceed with the works, and add the outstanding monies onto the relevant owners factoring account.

For closes which are 100% privately owned no works will be carried out unless owners request the work to be carried out and all owners pay their share **of** the costs, unless the title deeds specify otherwise. This will be noted on the Appendix to the Written Statement of Core Services.

Major Repairs

The Association operates a major repairs programme for its own stock based on the Stock Condition survey which is carried out on a five year cycle. Owners, where affected, will be consulted about the scope, timing and cost of works in advance and agreement and payment in advance will be required before works proceed. Where owners do not pay their share of the costs in advance, the decision as to whether works proceed will be taken by the Technical Services Committee.

Note: Where closes are entirely privately owned, major repairs will only be carried out where owners request it and all owners agree to the works and pay their share of the costs in advance.

Consultation with Owners

Repairs for which the owner's individual share does not exceed £100 will be carried out without consulting owners.

Repair costs which exceed the £100 share per property will require owners to be consulted prior to work commencing, except in emergencies, when owners will be notified in writing within seven days of the emergency occurring.

Owners agreement and payment in advance will normally be required for work exceeding £100. Should an owner not pay in advance, the decision as to whether work will proceed will be made by the Technical Services Committee.

The Association will communicate with the owner of a property on all matters relating to the factoring service. Where an owner requests correspondence be sent to a third party, the correspondence will be sent to the owner as well as to the third party. It will be the owner's responsibility to ensure they receive the correspondence from the third party, if the correspondence address is the property.

Insurances

Buildings insurance is provided for within a comprehensive Block Policy, copies of which are available from the Association on request. Flats are insured for full reinstatement value. The premium, which is reviewed annually, is payable on an annual basis in advance.

Invoices

The Association will issue invoices on a twice yearly basis in November and May. The Association will encourage owners to maintain clear factoring accounts and will strenuously pursue arrears as per the Factoring Arrears Policy and Procedure.

Invoices will be clearly set out, itemising work carried out, building insurance, the Management Fee, stair cleaning service if applicable and VAT

Owners will be encouraged to pay by standing order or direct debit towards future invoices. Payment of outstanding balances will be accepted by post or by credit/debit card. The Association will charge a late payment fee if invoices are not settled in full by day 35 following issue of invoice.

APPLICATIONS FOR FACTORING

The Technical Services Committee will approve or reject applications for factoring services on submission of a staff report. The report will include address, number of owners, payment of factoring deposits and completion of factoring authority forms, condition of the property and any other relevant information.

In certain circumstances Committee may resolve to accept closes on a trial basis with a review after this period to ensure satisfactory payment by owners. Committee may also decide that all repairs are to be paid up front before work is carried out.

ANNUAL REVIEW

An annual review of closes will be undertaken in December. Committee may decide to withdraw providing factoring services if there are high arrears or other problems in the close. In between committee meetings, delegated authority is given to the Chair of the Association to withdraw services from a close. Any such action will be reported to the next Technical Services Committee.

WRITTEN STATEMENT OF CORE SERVICES

As required under the Property Factors Act, the Association has drawn up a Written Statement of Core Services which expands on the above and should be read in conjunction with this policy and the Factoring Arrears policy.

The Written Statement of Core Services was issued to all owners with the November 2012 invoices. Owners buying flats after that date will be sent a copy of the Written Statement with the Welcome pack. Owners in closes enquiring about our factoring service are referred to the website where the Written Statement is included. Once the Association agrees to provide services for a close, and has agreed a start date, owners are sent a copy with the Welcome Pack. The Statement is available to view on the Association's website www.cxha.org.uk. or by post if requested.

There is an Appendix for each building which details information particular to that property including Date factoring service commenced, Factor's authority to Act, Association ownership in the building, title deed shares per flat/shop, any reference in the Deeds to Sinking Funds, Floats, voting arrangements, Appointment/dismissal of factor, ownership of front garden plots. The Appendix will be issued to owners annually or by request in the interim.

FACTORING AUTHORITY

The Association obtains factoring authority forms from each owner prior to the commencement of the factoring service to their property.

Factoring Authority forms are sent out with welcome packs to new owners when they purchase their property in closes where we already provide a factoring service.

DELEGATED AUTHORITY FOR EMERGENCIES

The Technical Services Manager has delegated authority in case of emergencies to approve adding on to owners factoring accounts, the cost of work exceeding £100. Where this occurs, it will be reported to the next Technical Services Committee.

COMMITTEE REPORTS

The Technical Services Committee receives the following reports:

Monthly: Numbers of properties factored
 Property Factor Enquiries
 Factoring Arrears
 Factoring Authorities
 Updates of Fabric repair schemes
 Reports on Service issues as required

- Quarterly: Factoring Arrears – summary breakdown of numbers of accounts outstanding by amount, and summary of position of accounts
- Annually: Review of all factored closes and provision of ongoing factoring services